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Pipeline Safety and Security: Federal Programs

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Summary

Nearly half a million miles of oil and gas transmission pipeline crisscross the United States. While an efficient and fundamentally safe means of transport, many pipelines carry hazardous materials with the potential to cause public injury and environmental damage. The nation's pipeline networks are also widespread, running alternately through remote and densely populated regions; consequently, these systems are vulnerable to accidents and terrorist attack. Congress is examining the progress of federal efforts to protect pipelines as it considers reauthorization of the federal Office of Pipeline Safety under the Pipeline Safety Improvement Act of 2006 (H.R. 5782) and the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 (S. 3961). Congress is also considering proposals to expand the pipeline security activities of the Transportation Security Administration under the Transportation Security Improvement Act of 2005 (S. 1052).

The Office of Pipeline Safety (OPS), within the Department of Transportation (DOT), is the lead federal regulator of pipeline safety. The OPS uses a variety of strategies to promote compliance with its safety regulations, including inspections, investigation of safety incidents, and maintaining a dialogue with pipeline operators. The agency clarifies its regulatory expectations through a range of communications and relies upon a range of enforcement actions to ensure that pipeline operators correct safety violations and take preventive measures to preclude future problems. The Transportation Security Administration (TSA), within the Department of Homeland Security (DHS), is the lead federal agency for security in all modes of transportation — including pipelines. The agency oversees industry's identification and protection of pipelines by developing security standards; implementing measures to mitigate security risk; building stakeholder relations; and monitoring compliance with security standards, requirements, and regulation. While the OPS and TSA have distinct missions, pipeline safety and security are intertwined.

Federal activities in pipeline safety and security are evolving. Although pipeline impacts on the environment remain a concern of some public interest groups, both federal government and industry representatives suggest that federal pipeline programs have been on the right track. As oversight of the federal role in pipeline safety and security continues, questions may be raised concerning the effectiveness of state pipeline damage prevention programs, the promulgation of low-stress pipeline regulations, federal pipeline safety enforcement, the relationship between DHS and the DOT with respect to pipeline security, and particular provisions in federal pipeline safety regulation. In addition to these specific issues, Congress may wish to assess how the various elements of U.S. pipeline safety and security activity fit together in the nation's overall strategy to protect transportation infrastructure.

This report will be updated as events warrant.

Contents

Introduction	1
Pipeline Industry Characteristics	2
Pipeline Safety Record	2
Pipeline Security Risks	3
Office of Pipeline Safety	4
Pipeline Safety Improvement Act of 2002	5
OPS Pipeline Security Activities	6
Transportation Security Administration	7
TSA Pipeline Security Activities	7
Key Legislative Issues	9
Pipeline Damage Prevention	9
Low-Stress Pipeline Regulations	10
OPS Safety Enforcement	12
Federal Pipeline Security Authority	13
Pipeline Security Regulations	14
TSA Security Resources	15
Identifying Critical Assets	15
Additional Issues	16
Distribution integrity management	16
Mandatory Pipeline Assessment Intervals	17
National Pipeline Mapping System Access	17
Conclusions	18

Pipeline Safety and Security: Federal Programs

Introduction¹

Nearly half a million miles of oil and gas transmission pipeline crisscross the United States.² These pipelines are integral to U.S. energy supply and have vital links to other critical infrastructure, such as power plants, airports, and military bases. While an efficient and fundamentally safe means of transport, many pipelines carry volatile or flammable materials with the potential to cause public injury and environmental damage. The nation's pipeline networks are also widespread, running alternately through remote and densely populated regions; consequently, these systems are vulnerable to accidents and terrorist attack. The 2006 partial shutdown of the Prudhoe Bay, Alaska oil field, the largest in the United States, due to pipeline safety problems was a recent demonstration of this vulnerability.³

The 107th Congress passed legislation to improve pipeline safety and security practices, and to provide federal oversight of operator security programs (P.L. 107-355, P.L. 107-71, P.L. 107-296). The 109th Congress is examining the progress of these efforts as it considers reauthorization of the federal Office of Pipeline Safety under the Pipeline Safety Improvement Act of 2006 (H.R. 5782), introduced by Representative Don Young on July 13, 2006, reported by the House Committee on Transportation and Infrastructure on July 19, 2006, and reported by the House Committee on Energy and Commerce on September 27, 2006. In the Senate, the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 (S. 3961) was introduced by Senator Ted Stevens and three cosponsors on September 27, 2006 and referred to the Committee on Commerce, Science, and Transportation. The 109th Congress is also considering proposals to expand the pipeline security activities of the Transportation Security Administration including provisions in S. 3961 and provisions in the Transportation Security Improvement Act of 2005 (S. 1052) introduced by Senator Ted Stevens on May 17, 2005 and reported by the Senate Committee on Commerce, Science, and Transportation on February 27, 2006.

¹ Parts of this report were previously published in CRS Report RL31990, *Pipeline Security: An Overview of Federal Activities and Current Policy Issues*, by Paul W. Parfomak.

² Bureau of Transportation Statistics (BTS), *National Transportation Statistics 2005*, Dec. 2005, Table 1-10. In this report "oil" includes petroleum and other hazardous liquids such as gasoline, jet fuel, diesel fuel, and propane, unless otherwise noted.

³ For specific discussion of BP Alaska's pipeline problems, see CRS Report RL33629, *BP Alaska North Slope Pipeline Shutdowns: Regulatory Policy Issues*, by Paul W. Parfomak.

Pipeline Industry Characteristics

Roughly 160,000 miles of oil pipeline in the United States carry over 75% of the nation's crude oil and around 60% of its refined petroleum products.⁴ Some 180 companies operate the *interstate* lines, which account for roughly 80% of total pipeline mileage and transported volume.⁵ The U.S. natural gas pipeline network consists of around 210,000 miles of *interstate* transmission, 85,000 miles of *intrastate* transmission, and 40,000 miles of field and gathering pipeline, which connect gas extraction wells to processing facilities. Around 100 systems make up the *interstate* network. Another 90 or so systems operate strictly within individual states.⁶ These *interstate* and *intrastate* gas transmission pipelines feed around 1.1 million miles of regional lines in some 1,300 local distribution networks.⁷ Natural gas pipelines also connect to 113 liquefied natural gas (LNG) storage sites, which augment pipeline gas supplies during peak demand periods.⁸

Pipeline Safety Record. Taken as a whole, releases from pipelines cause few annual fatalities compared to other product transportation modes. Oil pipelines reported an average of 1.4 deaths per year from 2000 to 2004; gas pipelines reported an average of 17.0 deaths per year during the same period.⁹ Accidental pipeline releases result from a variety of causes, including third-party excavation, corrosion, mechanical failure, control system failure, and operator error. Natural forces, such as floods and earthquakes, can also damage pipelines. According to the Department of Transportation (DOT), there were 124 oil pipeline accidents and 172 gas transmission pipeline accidents in 2005.¹⁰ Although pipeline releases have caused relatively few fatalities in absolute numbers, a single pipeline accident can be catastrophic. For example, a 1999 gasoline pipeline explosion in Bellingham, Washington, killed two children and an 18-year-old man, and caused \$45 million in damage to a city water plant and other property. In 2000, a natural gas pipeline explosion near Carlsbad, New Mexico, killed 12 campers, including four children.¹¹ In 2006, damaged pipelines on the North Slope of Alaska leaked over 200,000 gallons of crude oil in an environmentally sensitive area. These accidents have

⁴ BTS, Dec. 2005, Table 1-10.

⁵ C. J. Trench, *How Pipelines Make the Oil Market Work — Their Networks, Operation and Regulation*. For Assoc. of Oil Pipelines, Allegro Energy Group, New York, Dec. 2001.

⁶ James Tobin, *Changes in U.S. Natural Gas Transportation Infrastructure in 2004*, Energy Information Administration (EIA), June 2005, p. 4.

⁷ BTS, Dec. 2005, Tables 1-2 and 1-10.

⁸ Energy Information Administration (EIA), *U.S. LNG Markets and Uses*, Jan. 2003, p. 1.

⁹ BTS, Dec. 2005, Table 2-46.

¹⁰ Office of Pipeline Safety (OPS), *Liquid Pipeline Accident Summary by Cause and Natural Gas Transmission Incident Summary by Cause*, Feb. 11, 2006.

¹¹ National Transportation Safety Board, *Pipeline Accident Report PAR-03-01*, Feb. 2003.

generated substantial scrutiny of pipeline regulation and increased state and community activity related to pipeline safety.¹²

Pipeline Security Risks. Pipelines are vulnerable to vandalism and terrorist attack with firearms, with explosives, or by other physical means. Some pipelines may also be vulnerable to “cyber-attacks” on computer control systems or attacks on electricity grids or telecommunications networks.¹³ Oil and gas pipelines have been a target of terrorists outside and within the United States. In Colombia, for example, rebels have bombed the Caño Limón oil pipeline over 600 times since 1995.¹⁴ In 1996, London police foiled a plot by the Irish Republican Army to bomb gas pipelines and other utilities across the city.¹⁵ In 1997, Texas police prevented the bombing of natural gas storage tanks at a processing plant by Ku Klux Klan members seeking to create a diversion for a robbery (to finance other terrorist actions).¹⁶

Since September 11, 2001, federal warnings about Al Qaeda have mentioned pipelines specifically as potential terror targets in the United States.¹⁷ One U.S. pipeline of particular concern and with a history of terrorist and vandal activity is the Trans Alaska Pipeline System (TAPS), which transports crude oil from Alaska’s North Slope oil fields to the marine terminal in Valdez. TAPS runs some 800 miles and delivers nearly 17% of United States domestic oil production.¹⁸ In 1999, Vancouver police arrested a man planning to blow up TAPS for personal profit in oil futures.¹⁹ In 2001, a vandal’s attack on TAPS with a high-powered rifle forced a two-day shutdown and caused extensive economic and ecological damage.²⁰ In January 2006, federal authorities acknowledged the discovery of a detailed posting on a website purportedly linked to Al Qaeda that reportedly encouraged attacks on

¹² W. Loy, “Slope Mayor Questions Leak Detection,” *Anchorage Daily News*, Mar. 14, 2006; J. Nesmith and R. K. M. Haurwitz, “Pipelines: The Invisible Danger,” *Austin American-Statesman* (Austin, TX), July 22, 2001.

¹³ J.L. Shreeve. “Science&Technology: The Enemy Within.” *The Independent*. London. May 31, 2006. p. 8.

¹⁴ Government Accountability Office (GAO), *Security Assistance: Efforts to Secure Colombia’s Caño Limón-Coveñas Oil Pipeline Have Reduced Attacks, but Challenges Remain*, GAO-05-971, Sept. 2005, p. 15.

¹⁵ President’s Commission on Critical Infrastructure Protection, *Critical Foundations: Protecting America’s Infrastructures*, Washington, DC, Oct. 1997.

¹⁶ S. A. Pressley, “Group Planned Massacre and Big Robbery, FBI Says,” *Washington Post*, April 25, 1997, p. A02.

¹⁷ “Already Hard at Work on Security, Pipelines Told of Terrorist Threat,” *Inside FERC*, McGraw-Hill Companies, Jan. 3, 2002.

¹⁸ Alyeska Pipeline Service Co., Internet page, Anchorage, AK, March 2006, at [<http://www.alyeska-pipe.com/about.html>].

¹⁹ D. S. Cloud, “A Former Green Beret’s Plot to Make Millions Through Terrorism,” *Ottawa Citizen*, Dec. 24, 1999, p. E15.

²⁰ Y. Rosen, “Alaska Critics Take Potshots at Line Security,” *Houston Chronicle*, Feb. 17, 2002.

U.S. pipelines, especially TAPS, using weapons or hidden explosives.²¹ In February 2006, the Federal Bureau of Investigation arrested a U.S. citizen for trying to conspire with Al Qaeda to attack TAPS and a major natural gas pipeline in the eastern United States.²² To date, there have been no known Al Qaeda attacks on TAPS or other U.S. pipelines, but operators remain alert.

Office of Pipeline Safety

The Natural Gas Pipeline Safety Act of 1968 (P.L. 90-481) and the Hazardous Liquid Pipeline Act of 1979 (P.L. 96-129) are two of the key early acts establishing the federal role in pipeline safety. Under both statutes, the Transportation Secretary is given primary authority to regulate key aspects of interstate pipeline safety: design, construction, operation and maintenance, and spill response planning. Pipeline safety regulations are covered in Title 49 of the *Code of Federal Regulations*.²³ The DOT administers pipeline regulations through the Office of Pipeline Safety (OPS) within the Pipelines and Hazardous Materials Safety Administration (PHMSA).²⁴ The OPS has approximately 250 staff, including inspectors, based in Washington, D.C., Atlanta, Kansas City, Houston, and Denver.²⁵ In addition to its own staff, the OPS's enabling legislation allows the agency to delegate authority to *intrastate* pipeline safety offices, and allows state offices to act as "agents" administering *interstate* pipeline safety programs (excluding enforcement) for those sections of *interstate* pipelines within their boundaries.²⁶ Over 400 state pipeline safety inspectors are available in 2006. The OPS safety program is funded primarily by user fees assessed on a per-mile basis on each regulated pipeline operator (49 U.S.C. § 60107). The President's FY2007 budget request for the OPS seeks \$75.7 million, an increase from \$73.0 million in FY2006.²⁷ H.R. 5782 would authorize OPS expenditures at this level (Sec. 6). S. 3961 would authorize \$79.0 million in FY2007.

The OPS uses a variety of strategies to promote compliance with its safety standards. The agency conducts physical inspections of facilities and construction projects; conducts programmatic inspections of management systems, procedures, and processes; investigates safety incidents; and maintains a dialogue with pipeline operators. The agency clarifies its regulatory expectations through a range of

²¹ W. Loy, "Web Post Urges Jihadists to Attack Alaska Pipeline," *Anchorage Daily News*, Jan. 19, 2006.

²² A. Lubrano and J. Shiffman, "Pa. Man Accused of Terrorist Plot," *Philadelphia Inquirer*, Feb. 12, 2006, p. A1.

²³ Safety and security of liquefied natural gas (LNG) facilities used in gas pipeline transportation is regulated under CFR Title 49, Part 193.

²⁴ PHMSA succeeds the Research and Special Programs Administration (RSPA), reorganized under P.L. 108-246, which was signed by the President on Nov. 30, 2004.

²⁵ OPS phone directory, updated Aug. 30, 2006. [<http://ops.dot.gov/contact/phonelist.htm>].

²⁶ 49 U.S.C. 601. States may recover up to 50% of their costs for these programs from the federal government.

²⁷ U.S. Office of Management and Budget (OMB), *Budget of the United States Government, Fiscal Year 2007 — Appendix*, Washington, DC, Feb. 2006, p. 894.

communications tools including published protocols and regulatory orders, guidance manuals, and public meetings. The OPS also relies upon a range of enforcement actions, including administrative actions and civil penalties, to ensure that pipeline operators correct safety violations and take preventive measures to preclude future safety problems.²⁸ According to a Government Accountability Office (GAO) analysis, between 1994 and 2004, the OPS took 1,430 enforcement actions against pipeline operators.²⁹ Civil penalties proposed by the OPS for pipeline safety violations in 2005 exceeded \$4 million.³⁰ The OPS also conducts accident investigations and systemwide reviews designed to focus on high-risk operational or procedural problems and areas of the pipeline near sensitive environmental areas or high-density populations. To improve its regulations and activities, the agency conducts a research program funded at \$13 million in FY2006.

Since 1997, the OPS has increasingly encouraged industry's implementation of "integrity management" programs on pipeline segments near "high consequence" areas. Integrity management provides for continual evaluation of pipeline condition; assessment of risks to the pipeline; inspection or testing; data analysis; and followup repair, as well as preventive or mitigative actions. High-consequence areas include population centers, commercially navigable waters, and environmentally sensitive areas, such as drinking water supplies or ecological reserves. The integrity management approach directs priority resources to locations of highest consequence rather than applying uniform treatment to the entire pipeline network.³¹ The OPS made integrity management programs mandatory for most operators with 500 or more miles of regulated oil pipeline as of March 31, 2001 (49 C.F.R. § 195).

Pipeline Safety Improvement Act of 2002. On December 12, 2002, President Bush signed into law the Pipeline Safety Improvement Act of 2002 (P.L. 107-355). The act reauthorizes funding for the OPS through FY2006. It also strengthens federal pipeline safety programs, state oversight of pipeline operators, and public education regarding pipeline safety.³² Among other provisions, P.L. 107-355 requires operators of regulated gas pipelines in high-consequence areas to

²⁸ Office of Pipeline Safety (OPS), "Enforcement," Internet page, Feb. 14, 2006, at [<http://primis.phmsa.dot.gov/comm/Enforcement.htm>].

²⁹ Government Accountability Office (GAO), *Pipeline Safety: Management of the Office of Pipeline Safety's Enforcement Program Needs Further Strengthening*, GAO-04-80 July 2004, p. 26.

³⁰ B. McCown, Pipeline and Hazardous Materials Safety Admin., statement before the House Committee on Transportation and Infrastructure, Subcommittee on Highways, Transit and Pipelines, hearing on Pipeline Safety, March 16, 2005.

³¹ Research and Special Programs Administration (RSPA), *Pipeline Safety. Pipeline Integrity Management in High Consequence Areas (Hazardous Liquid Operators with 500 or More Miles of Pipeline)*, *Federal Register*, Dec. 1, 2000, p. 75378.

³² P.L. 107-355 encourages the implementation of state "one-call" excavation notification programs (Sec. 2) and allows states to enforce "one-call" program requirements. The act expands criminal responsibility for pipeline damage to cases where damage was not caused "knowingly and willfully" (Sec. 3). The act adds provisions for ending federal-state pipeline oversight partnerships if states do not comply with federal requirements (Sec. 4).

conduct risk analysis and implement integrity management programs similar to those required for oil pipelines.³³ The act authorizes the DOT to order safety actions for pipelines with potential safety problems (Sec. 7) and increases violation penalties (Sec. 8). The act attempts to streamline the permitting process for emergency pipeline restoration by establishing an interagency committee, including the DOT, the Environmental Protection Agency, the Bureau of Land Management, the Federal Energy Regulatory Commission, and other agencies, to ensure coordinated review and permitting of pipeline repairs (Sec. 16). The act authorizes \$100 million for research and development in pipeline integrity, safety, reliability, and security (Sec. 12). It requires DOT to study ways to limit pipeline safety risks from population encroachment and ways to preserve environmental resources in pipeline rights-of-way (Sec. 11). P.L. 107-355 also includes provisions for public education, grants for community pipeline safety studies, “whistle blower” and other employee protection, employee qualification programs, and mapping data submission.

OPS Pipeline Security Activities. Presidential Decision Directive 63 (PDD-63), issued during the Clinton administration, assigned lead responsibility for pipeline security to the DOT.³⁴ At the time, these responsibilities fell to the OPS, since the agency was already addressing some elements of pipeline security in its role as safety regulator. In 2002, the OPS conducted a vulnerability assessment to identify critical pipeline facilities and worked with industry groups and state pipeline safety organizations “to assess the industry’s readiness to prepare for, withstand and respond to a terrorist attack...”³⁵ Together with the Department of Energy and state pipeline agencies, the OPS promoted the development of consensus standards for security measures tiered to correspond with the five levels of threat warnings issued by the Office of Homeland Security.³⁶ The OPS also developed protocols for inspections of critical facilities to ensure that operators implemented appropriate security practices. To convey emergency information and warnings, the OPS established a variety of communication links to key staff at the most critical pipeline facilities throughout the country. The OPS also began identifying near-term technology to enhance deterrence, detection, response, and recovery, and began seeking to advance public and private sector planning for response and recovery.³⁷

On September 5, 2002, the OPS circulated formal guidance developed in cooperation with the pipeline industry associations defining the agency’s security

³³ A 2006 Government Accountability Office (GAO) report found that the OPS’s gas integrity management program benefitted public safety, although the report recommended revisions to the OPS’s performance measures. See GAO. *Natural Gas Pipeline Safety: Integrity Management Benefits Public Safety, but Consistency of Performance Measures Should Be Improved*. GAO-06-946, Sept. 8, 2006. pp. 2-3.

³⁴ Presidential Decision Directive 63, *Protecting the Nation’s Critical Infrastructures*, May 22, 1998.

³⁵ RSPA, *RSPA Pipeline Security Preparedness*, Dec. 2001.

³⁶ Ellen Engleman, RSPA Administrator, statement before the Subcommittee on Energy and Air Quality, House Energy and Commerce Committee, Mar. 19, 2002.

³⁷ Ellen Engleman, RSPA Administrator, statement before the Subcommittee on Highways and Transit, House Transportation and Infrastructure Committee, Feb, 13, 2002.

program recommendations and implementation expectations. This guidance recommended that operators identify critical facilities, develop security plans consistent with prior trade association security guidance, implement these plans, and review them annually.³⁸ While the guidance was voluntary, the OPS expected compliance and informed operators of its intent to begin reviewing security programs within 12 months, potentially as part of more comprehensive safety inspections.³⁹

Transportation Security Administration

In November 2001, President Bush signed the Aviation and Transportation Security Act (P.L. 107-71) establishing the Transportation Security Administration (TSA) within the DOT. According to TSA, the act placed the DOT's pipeline security authority (under PDD-63) within TSA. The act specified for TSA a range of duties and powers related to general transportation security, such as intelligence management, threat assessment, mitigation, security measure oversight and enforcement, among others. On November 25, 2002, President Bush signed the Homeland Security Act of 2002 (P.L. 107-296) creating the Department of Homeland Security (DHS). Among other provisions, the act transferred to DHS the Transportation Security Administration from the DOT (Sec. 403). On December 17, 2003, President Bush issued Homeland Security Presidential Directive 7 (HSPD-7), clarifying executive agency responsibilities for identifying, prioritizing, and protecting critical infrastructure. HSPD-7 maintains DHS as the lead agency for pipeline security (par. 15), and instructs the DOT to "collaborate in regulating the transportation of hazardous materials by all modes (including pipelines)" (par. 22h). The order also requires that DHS and other federal agencies collaborate with "appropriate private sector entities" in sharing information and protecting critical infrastructure (par. 25). HSPD-7 supersedes PDD-63 (par. 37). Pipeline security activities at TSA are led by the Pipeline Security Program Office (PSPO) within the agency's Intermodal Security Program Office.

TSA Pipeline Security Activities. In 2003, TSA initiated its Corporate Security Review (CSR) program, wherein the agency visits the largest pipeline and natural gas distribution operators to review their security plans and inspect their facilities. (The OPS participated with TSA in a number of security reviews in 2003, but has not done so since then.) During the reviews, TSA evaluates whether each company is following the intent of the OPS security guidance, and seeks to collect the list of assets each company had identified meeting the criteria established for critical facilities. In 2004, the DOT reported that the plans reviewed to date (approximately 25) had been "judged responsive to the OPS guidance."⁴⁰ As of August 2006, TSA had completed 57 CSR reviews, with a long-term goal of one per

³⁸ James K. O'Steen, RSPA, *Implementation of RSPA Security Guidance*, presentation to the National Association of Regulatory Utility Commissioners, Feb. 25, 2003.

³⁹ Office of Pipeline Safety (OPS), personal communication, June 10, 2003.

⁴⁰ Department of Transportation (DOT), "Action Taken and Actions Needed to Improve Pipeline Safety," CC-2004-061, June 16, 2004, p. 21.

month.⁴¹ According to TSA, virtually all of the companies reviewed through 2005 had developed security plans, identified critical assets, and conducted background checks on new employees. Most had also implemented employee security training programs and raised local community and law enforcement awareness of pipeline security as part of their emergency response obligations. The TSA reviews also identified inadequacies in some company security programs such as poor access controls, deficient security equipment, lack of real-time threat information, and irregular security exercises.⁴²

In addition to its CSR program, TSA has engaged in a number of other pipeline security activities. The TSA has worked to establish qualifications for personnel seeking unrestricted access to critical pipeline assets and maintains its own inventory of critical pipeline infrastructure.⁴³ The agency has also addressed legal issues regarding recovery from terrorist attacks, such as FBI control of crime scenes and eminent domain in pipeline restoration. TSA has been performing cross-border pipeline system vulnerability assessments with other U.S. federal agencies and Natural Resources Canada.⁴⁴ In October 2005, TSA issued an overview of recommended security practices for pipeline operators “for informational purposes only ... not intended to replace security measures already implemented by individual companies.”⁴⁵ The agency plans to release revised guidance on security best practices by the end of 2006. TSA has joined both the Energy Government Coordinating Council and the Transportation Government Coordinating Council under provisions in HSPD-7. The missions of the councils are to work with their industry counterparts to coordinate critical infrastructure protection programs in the energy and transportation sectors, respectively, and to facilitate the sharing of security information. TSA has also performed a limited number of vulnerability assessments for specific companies and assets where intelligence information has suggested potential terrorist activity. The agency sponsors an annual pipeline security conference as part of its outreach to the private sector.⁴⁶

According to TSA, the Pipeline Security Program Office’s current pipeline security mission includes developing security standards; implementing measures to mitigate security risk; building and maintaining stakeholder relations, coordination, education and outreach; and monitoring compliance with security standards, requirements, and regulations.⁴⁷ The President’s FY2007 budget request for DHS does not include a separate line item for TSA’s pipeline security activities. The

⁴¹ TSA, Intermodal Security Program Office, personal communication, Aug. 30, 2006.

⁴² TSA, Intermodal Security Program Office, presentation to the DGC Homeland Security Conference, Alexandria, VA, Dec. 7, 2005. pp. 18-20.

⁴³ TSA, *TSA Multi-Modal Criticality Evaluation Tool*, TSA Threat Assessment and Risk Management Program, slide presentation, April 15, 2003.

⁴⁴ TSA, Intermodal Security Program Office, personal communication, Aug. 30, 2006.

⁴⁵ TSA, Intermodal Security Program Office, *Pipeline Security Best Practices*, Oct. 19, 2005, p. 1.

⁴⁶ TSA, Intermodal Security Program Office, personal communication, Aug. 30, 2006.

⁴⁷ *Ibid.*

budget request does include a \$37 million line item for “Surface Transportation Security,” which encompasses all security activities in non-aviation transportation modes, including pipelines.⁴⁸ The PSPO has traditionally received from the agency’s general operational budget an allocation for routine operations such as regulation development, travel, and outreach. According to the PSPO, the current budget funds 11 full-time staff within the office. These staff will conduct pipeline security inspections, maintain TSA’s asset database, support TSA’s multi-modal risk models, develop new security standards, and issue regulations as required. In addition, the PSPO states that it has access to approximately 100 surface transportation inspectors within TSA who could potentially be trained to perform pipeline inspections in the future should the need arise.⁴⁹

Key Legislative Issues

The 109th Congress is proposing legislation to reauthorize the OPS and to amend pipeline security law. Consideration of the Pipeline Safety Improvement Act of 2006 (H.R. 5782), the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 (S. 3961), and the Transportation Security Improvement Act of 2005 (S. 1052) may provide an opportunity to examine a number of key issues associated with federal pipeline safety and security programs. This section discusses selected pipeline issues which have drawn particular attention in legislative debate. The bills cited above contain additional provisions not discussed in this report

Pipeline Damage Prevention

According to OPS statistics, third-party excavation damage is the single greatest cause of accidents among natural gas distribution pipelines.⁵⁰ It is also a leading cause of damage among natural gas transmission and hazardous liquids pipelines. Both reported versions of H.R. 5782 would impose federal civil penalties for violations of state “one-call” notification programs to prevent excavation damage to underground pipelines (Sec. 2). S. 3961 contains similar provisions related to “one-call” program civil enforcement (Sec. 4). While supporting stronger enforcement of excavation damage prevention programs, some stakeholders have argued that such enforcement is best performed by state regulators responsible for administering one-call programs rather than by the federal government. They favor an approach which encourages state enforcement, unless the federal government determines that a state’s enforcement efforts are ineffective.⁵¹ Accordingly, H.R. 5782 would prohibit federal enforcement in states already imposing such penalties (Sec. 2).

⁴⁸ U.S. Office of Management and Budget (OMB), *Budget of the United States Government, Fiscal Year 2005 — Appendix*, Washington, DC, Feb. 2, 2004, p. 485.

⁴⁹ TSA, personal communication, Aug. 30, 2006.

⁵⁰ Office of Pipeline Safety (OPS). “Distribution Pipeline Incident Summary by Cause: 1/1/2006 - 07/26/2006.” Aug. 15, 2007. [<http://ops.dot.gov/stats/NGDIST06.HTM>]

⁵¹ Felt, T., President and CEO, Explorer Pipeline. Statement before the House Committee on Energy and Commerce, Subcommittee on Energy and Air Quality hearing on Reauthorization of the Pipeline Safety Act. July 27, 2006.

Although their specific language differs, both reported versions of H.R. 5782 would also authorize grants to states (and certain municipalities) for improving damage prevention programs if the states have been certified (under 49 U.S.C. § 60106) or can demonstrate that they are establishing an “effective” program, as subsequently defined. S. 3961 contains similar provisions for state grants (Sec. 4). While supporting grants to assist state pipeline programs, some state regulators are concerned that the grant requirements could exclude states working towards, but not already meeting the aforementioned eligibility requirements.⁵² If assisting such states in meeting certification and “effectiveness” standards under H.R. 5782 or S. 3961 is a goal, Congress may consider expanding grant eligibility for these purposes.

Low-Stress Pipeline Regulations

Pipelines operated at less than 20% of the specified minimum strength of the material from which they are constructed are classified as “low-stress” pipelines under 49 C.F.R. § 195.2. According to the OPS, federal pipeline safety regulations originally did not apply to low-stress pipelines because they operated at low pressures, were not prone to accidents, and were thought to pose little risk to the public. In 1994, however, OPS extended its hazardous liquid pipeline regulations under 49 C.F.R. § 195 to include low-stress pipelines that 1) transport highly volatile liquids, 2) are not located in rural areas, 3) are located offshore, or 4) are located in waterways used for commercial navigation (§ 195.1(b)(3)).

The regulation of low-stress pipeline regulations has come under greater Congressional scrutiny since March 2006, after a spill from a BP pipeline oil pipeline led to the partial shutdown of the Prudhoe Bay area oil field on the North Slope of Alaska. In its March 15, 2006, Corrective Action Order (CAO) issued to BP, the OPS found that BP’s pipelines met the definition of a “hazardous pipeline facility” under 49 U.S.C. § 60112(a), which grants general authority under the statute, but that specific federal pipeline safety regulations under 49 C.F.R. § 195 did not apply because BP’s pipelines were classified as “low-stress” and fell under the exception in 49 C.F.R. § 195.1(b)(3).⁵³ In August, 2006, BP announced additional disruption of North Slope oil supplies to conduct major pipeline repairs “following the discovery of unexpectedly severe corrosion and a small spill from a Prudhoe Bay oil transit line.”⁵⁴ BP has since admitted to flaws in its maintenance models and, in retrospect, the inadequacy of its overall maintenance program for its North Slope operations.⁵⁵

⁵² Mason, D.L., Public Utilities Commission of Ohio. Statement before the House Committee on Energy and Commerce, Subcommittee on Energy and Air Quality hearing on Reauthorization of the Pipeline Safety Act. July 27, 2006.

⁵³ Pipeline and Hazardous Material Safety Admin. (PHMSA). *Corrective Action Order in the Matter of BP Exploration (Alaska), Inc., Respondent*. CPF No. 5-2006-5015H. March 15, 2006. [<http://ops.dot.gov/regions/west/BP%205-2006-5015H%20-%20Final.pdf>].

⁵⁴ BP Exploration Alaska, Inc. “BP to Shutdown Prudhoe Bay Oil Field.” Press release. Aug. 6, 2006. [<http://usresponse.bp.com/go/doc/1249/127496>]

⁵⁵ Marshall, S., President, BP Exploration (Alaska) Inc. Comments to the Joint Alaska (continued...)

On September 6, 2006, the OPS published in the Federal Register proposed rules for risk-based regulation of hazardous liquid low-stress pipelines located in “unusually sensitive areas” and currently exempted from its regulations under 49 C.F.R. § 195.⁵⁶ The OPS defines an unusually sensitive area (USA) as “a drinking water or ecological resource area that is unusually sensitive to environmental damage from a hazardous liquid pipeline release” (49 C.F.R. § 195.6).⁵⁷ Although USAs would be identified on a site-by-site basis, the OPS has indicated that the North Slope is a USA.⁵⁸ The agency expects to finalize regulations for low-stress hazardous liquids pipelines in USAs by the end of 2006.⁵⁹ There is general agreement that the OPS can promulgate new low-stress pipeline regulations under its existing statutory authority under Section 49 of the U.S. Code.

Members of Congress, the pipeline industry, and public advocates have expressed support in principle for addition regulation of low-stress pipelines as well as the OPS’s rulemaking schedule.⁶⁰ One open question, however, is how broadly those regulations will apply. The OPS has stated its intention to regulate currently exempt low-stress pipelines in USAs, a proposal which reportedly would cover approximately 1,600 miles out of approximately 5,000 miles of U.S. low-pressure pipelines.⁶¹ Public and environmental advocacy groups have proposed regulation of nearly all low-stress pipelines, regardless of location.⁶² Other advocates have proposed using the “high consequence” criteria in the OPS’s existing integrity management regulations for determining which specific pipelines should be covered under OPS’s new provisions. Consistent with the OPS’s proposals, the House Transportation and Infrastructure Committee’s version of H.R. 5782 would mandate low-stress pipeline regulations only in USAs (Sec. 5). The bill would also define low-stress pipelines as having a diameter greater than 8 5/8 inches (Sec. 5),

⁵⁵ (...continued)

Senate and House Resources Committee. Aug. 18, 2006; Malone, R., Aug. 7, 2006.

⁵⁶ Pipeline and Hazardous Materials Safety Administration (PHMSA). “Pipeline Safety: Protecting Unusually Sensitive Areas From Rural Onshore Hazardous Liquid Gathering Lines and Low-Stress Lines.” *Federal Register*. Vol. 71. No. 172. Sept. 6, 2006. pp. 52504-52519.

⁵⁷ 49 C.F.R. § 195.6 further define “drinking water” or “ecological resource” areas.

⁵⁸ Dept. of Transportation (DOT). “U.S. Department of Transportation Proposes New Safety Requirements for Rural Low-Stress and Gathering Pipelines in Unusually Sensitive Areas.” Press release. PHMSA 8-06. Aug. 31, 2006.

⁵⁹ Ibid. DOT. Aug. 31, 2006; Hebert, H.J. “In Wake of Pipeline Trouble in Alaska, Government Renews Push for Regulations.” *Associated Press*. Aug. 10, 2006.

⁶⁰ See testimony in: “Pipeline Safety: a Progress Report since the Enactment of the Pipeline Safety Improvement Act of 2002.” Hearing before the House Committee on Energy and Commerce, Subcommittee on Energy and Air Quality. Serial No. 109-84. April 27, 2006.

⁶¹ “Oversight of Pipelines May Increase.” *Los Angeles Times*. Aug. 18, 2006. p. C3.

⁶² Epstein, L.N., Cook Inlet Keeper. Testimony before the House Committee on Energy and Commerce, Subcommittee on Energy and Air Quality hearing on Pipeline Safety Improvement Act Reauthorization and H.R. 5782, the Pipeline Safety Improvement Act of 2006. July 27, 2006.

eliminating numerous smaller pipelines from potential inclusion under new OPS rules. The House Energy and Commerce Committee's version of H.R. 5782 would require that all low-stress hazardous liquids pipelines be subject to the same regulations as other hazardous liquids pipelines (Sec. 2(h)). S. 3961 contains similar provisions (Sec. 3). Both versions of H.R. 5782 as well as S. 3961 would mandate the promulgation of these new regulations within one year of enactment. In establishing the final criteria for low-stress pipeline regulation, Congress may consider the balance between the potential safety benefits and the potential costs of stricter safety programs in light of BP's pipeline problems and potential problems among similar pipeline systems elsewhere in the United States.

OPS Safety Enforcement

The adequacy of the OPS's enforcement strategy has been an ongoing concern of Congress, particularly after the fatal pipeline accidents in Washington and New Mexico. A report from the General Accounting Office in 2000 called into question fundamental changes in OPS's enforcement strategy at the time, such as sharply reducing the use of fines to enforce compliance with pipeline safety regulations.⁶³ Provisions in the Pipeline Safety Improvement Act of 2002 (P.L. 107-355) put added scrutiny on the effectiveness of the OPS's enforcement strategy and assessment of civil penalties (Sec. 8). A 2004 Government Accountability Office (GAO) report reexamining OPS enforcement stated that the agency had made a number of changes in its enforcement strategy with the potential to improve pipeline safety. The report concluded, however, that the effectiveness of the strategy could not yet be determined because OPS's program had not incorporated "clear program goals, a well-defined strategy for achieving those goals, and performance measures linked to the program goals."⁶⁴ In March 2006 testimony before Congress, the GAO reported that the OPS had adopted measures that appeared to be responsive to the agency's earlier concerns, although the GAO had not reviewed the strategy or its implementation in depth.⁶⁵

In April 2006, PHMSA testified before Congress that the OPS had institutionalized a "tough-but-fair" approach to enforcement, "imposing and collecting larger penalties, while guiding pipeline operators to enhance higher performance."⁶⁶ According to the agency, \$4 million in proposed civil penalties in 2005 was three times greater than penalties proposed in 2003, the first year higher penalties could be imposed under P.L. 107-355 (Sec. 8(a)).⁶⁷ Notwithstanding these efforts to change its pipeline safety enforcement strategy, some analysts believe that

⁶³ General Accounting Office (GAO). *Pipeline Safety: The Office of Pipeline Safety Is Changing How It Oversees the Pipeline Industry*. GAO/RCED-00-128. May 2000. p. 22.

⁶⁴ *Ibid.* GAO. July, 2004. p3.

⁶⁵ Siggerud, K. Government Accountability Office (GAO). Testimony before the House Committee on Transportation and Infrastructure, Subcommittee on Highways, Transit and Pipelines hearing on Pipeline Safety. GAO-06-474T. March 16, 2006. p11.

⁶⁶ Gerard, S. L., Pipeline and Hazardous Materials Admin.(PHMSA). Testimony before the House Energy and Commerce Committee, Energy and Air Quality Subcommittee hearing on Pipeline Safety. Serial No. 109-84. April 27, 2006. p. 14.

⁶⁷ *Ibid.*

the OPS's enforcement actions are not sufficiently transparent to the public, other government agencies, or industry.⁶⁸ The House Transportation and Infrastructure Committee's version of H.R. 5782 would not impose new requirements for enforcement transparency. The House Energy and Commerce Committee's version would require the agency to issue monthly summaries of OPS enforcement actions including violation and penalty information for each action, and provide a mechanism for pipeline operators to make response information available to the public (Sec. 2(m)). S. 3961 contains similar provisions for OPS enforcement summaries, although it includes no provisions related to operators response information (Sec. 9).

Federal Pipeline Security Authority

Congress has repeatedly raised questions about the appropriate division of pipeline security authority between the OPS and TSA.⁶⁹ Both the OPS and TSA have played important roles in the federal pipeline security program, with TSA the designated lead agency since 2002. In 2004, the DOT and DHS entered into a memorandum of understanding (MOU) concerning their respective security roles in all modes of transportation. The MOU notes that DHS has the primary responsibility for transportation security with support from the DOT, and establishes a general framework for cooperation and coordination. The MOU states that "specific tasks and areas of responsibility that are appropriate for cooperation will be documented in annexes ... individually approved and signed by appropriate representatives of DHS and DOT."⁷⁰ On August 9, 2006, the departments signed an annex "to delineate clear lines of authority and responsibility and promote communications, efficiency, and nonduplication of effort through cooperation and collaboration between the parties in the area of transportation security."⁷¹ An amendment to H.R. 5782 passed by the House Transportation and Infrastructure Committee on July 19, 2006 would require the Secretary of Transportation to clarify the pipeline security roles of the OPS and TSA. Similarly, a provision in S. 1052 would require an annex to the existing memorandum of agreement between the OPS and TSA regarding their relative security activities (Sec. 408). These requirements may have been satisfied by the annex referred to above.

⁶⁸ Ibid. Epstein, L.N.. July 27, 2006.

⁶⁹ For example, see Hon. William J. Pascrell, Jr., statement at the House Committee on Transportation and Infrastructure, Subcommittee on Highways, Transit and Pipelines, hearing on Pipeline Safety, Mar. 16, 2006.

⁷⁰ Dept. of Homeland Security (DHS) and Dept. Of Transportation (DOT). *Memorandum of Understanding Between the Department of Homeland Security and the Department of Transportation on Roles and Responsibilities*. Sept. 28, 2004. p. 4.

⁷¹ Dept. of Homeland Security (DHS) and Dept. of Transportation (DOT). *Annex to the Memorandum of Understanding between the Department of Homeland Security and the Department of Transportation Concerning Transportation Security Administration and Pipeline and Hazardous Materials Safety Administration Cooperation on Pipelines and Hazardous Materials Transportation Security*. Aug. 9, 2006. p. 1.

It remains to be determined what additional cooperative activities will be put in place between the OPS and TSA based on the provisions in their MOU and annex, and whether they can be implemented effectively given the two agencies' existing structures and obligations. One specific concern among pipeline operators is inspection and enforcement authority. DOT officials acknowledge TSA's superior access to information on threats and vulnerabilities, but believe that the OPS might more efficiently administer pipeline security inspections due to strong linkages between pipeline safety and security. The DOT has stated that it is "hard to justify why we need a whole different inspection staff in TSA" while the OPS already has a large and experienced staff of pipeline safety inspectors which could readily accommodate security inspection and associated enforcement responsibilities.⁷² TSA has not commented publicly on this issue. Since any change in authority could potentially disrupt the federal government's established pipeline security activities, proposals to do so require careful consideration of potential benefits and costs.

Pipeline Security Regulations

As noted earlier in this report, federal pipeline security activities have to date relied upon voluntary industry compliance with OPS security guidance and TSA security best practices. By initiating this voluntary approach, the OPS sought to speed adoption of security measures by industry and avoid the publication of sensitive security information (e.g., critical asset lists) that would normally be required in public rulemaking.⁷³ Likewise, although TSA's FY2005 budget justification stated that the agency would "issue regulations where appropriate to improve the security of the [non-aviation transportation] modes," the agency has not done so for pipelines.⁷⁴ TSA believes that the pipeline industry "has taken the security guidance seriously and has done a good job" to date.⁷⁵ Accordingly, the agency is not actively developing pipeline security regulations, although it has not ruled out doing so in the future.

Provisions in S. 1052 would require the federal government to develop pipeline security regulations and associated civil penalties for non-compliance within one year of enactment (Sec. 407d). S. 3961 would require TSA and OPS to promulgate pipeline security recommendations and, "if appropriate," subsequently promulgate pipeline security regulations and carry out necessary inspection and enforcement (Sec. 23), along with provisions for a federal pipeline security and incident recovery plan (Sec. 24). The pipelines industry has expressed concern that new security regulations and related requirements may be "redundant" and "may not be necessary

⁷² T. J. Zinser, Acting Inspector General, Dept. of Transportation, testimony before the House Committee on Transportation and Infrastructure, Subcommittee on Highways, Transit and Pipelines, hearing on Pipeline Safety, Mar. 16, 2006.

⁷³ GAO, *Pipeline Security and Safety: Improved Workforce Planning and Communication Needed*, GAO-02-785, Aug. 2002, p. 22.

⁷⁴ Department of Homeland Security (DHS), *Transportation Security Administration Fiscal Year 2005 Congressional Budget Justification*, Washington, DC, Feb. 2, 2004, p. 20.

⁷⁵ TSA, personal communication, Aug. 30, 2006

to increase pipeline security.”⁷⁶ In considering whether to impose regulations, Congress may evaluate the effectiveness of the TSA’s current voluntary security standards based on findings from the agency’s CSR reviews.

TSA Security Resources

Congress has long been critical of TSA’s funding of non-aviation security activities, including pipeline activities. For example, as one Member remarked in 2005, “aviation security has received 90% of TSA’s funds and virtually all of its attention. There is simply not enough being done to address ... pipeline security.”⁷⁷ At its current staffing level, TSA’s Pipelines Branch has limited field presence for inspections and possible enforcement of future regulations. TSA’s plan to focus security inspections on the largest pipeline and distribution system operators seeks to make the best use of limited resources. The concern is that TSA currently lacks sufficient resources for rigorous security plan verification and a credible threat of enforcement, so operator compliance with security guidance may be inadequate, leaving the pipeline network as a whole less secure than it might be with more universal inspection and enforcement coverage. Provisions in S. 1052 would specifically authorize funding of \$2 million annually through FY2008 for TSA’s pipeline security inspections and enforcement program (Sec. 407(e)). It is an open question whether this level of funding would be sufficient to enable TSA to meet congressional expectations for federal pipeline security activities.

Identifying Critical Assets

Pipeline operators have long sought clear definitions of pipeline asset “criticality” so they will know exactly what assets to protect and how well to protect them. The definition of “criticality” developed by industry in 2002 (and supported in the OPS guidance) avoided numerical thresholds, relying instead on discretionary qualitative metrics like “significance” of impact.⁷⁸ The OPS has since expressed its belief that this definition may be too general and that clearer criticality thresholds are needed.⁷⁹ The HSPD-7 directive appears to narrow the definition of “criticality” by emphasizing infrastructure “that could be exploited to cause catastrophic health effects or mass casualties” (par. 13), but it is not clear how this emphasis applies to pipelines. The Information Analysis and Infrastructure Protection (IAIP) directorate within DHS has developed a list of critical pipelines within its national asset database, but Congress, the GAO, and the DHS Inspector General have identified

⁷⁶ American Gas Association (AGA), American Petroleum Institute (API), Association of Oil Pipelines (AOPL), and American Public Gas Association (APGA), joint letter to members of the Senate Commerce Committee providing views on S. 1052, Aug. 22, 2005.

⁷⁷ Sen. Daniel K. Inouye, opening statement before the Senate Committee on Commerce, Science and Transportation, hearing on the President’s FY2006 Budget Request for the Transportation Security Administration (TSA), Feb. 15, 2005.

⁷⁸ American Gas Association (AGA) and the Interstate Natural Gas Association of America (INGAA), *Security Guidelines Natural Gas Industry Transmission and Distribution*, Washington, DC, Sept. 6, 2002, p. 6.

⁷⁹ OPS, personal communication, June 9, 2003.

problems with DHS's criteria for critical asset identification.⁸⁰ As discussed above, TSA has developed its own list of critical pipeline systems in support of its CSR program, but has not made public its methodology or the list itself.

The House Energy and Commerce Committee's version of H.R. 5782 would require the Department of Energy, in consultation with the DOT, to perform a study identifying reliability concerns among "critical" pipelines (Sec. 2(j)). Provisions in S. 1052 (Sec. 407(b) and S. 3961 (Sec. 23(b)) call for "inspection of the critical facilities of the 100 most critical pipeline operators" identified by the TSA. Given the continuing uncertainty among industry and policy makers about what constitutes a critical asset, how the DOT or TSA will develop a list of critical operators under H.R. 5782, S. 1052 or S. 3961 may require clarification.

Additional Issues

In addition to the issues mentioned above, Congress may consider several key issues related to proposed pipeline legislation or otherwise raised by pipeline stakeholders.

Distribution integrity management. As noted earlier in this report, the OPS made integrity management programs mandatory for oil transmission pipelines in 2001 and for gas transmission pipelines in 2003. Congress and other stakeholders have since sought to extend these regulations to natural gas distribution pipelines, such as those operated by regional natural gas utilities. Because distribution pipelines are designed and operate differently from transmission lines, the OPS has been developing approaches to structuring unique regulations for distribution systems.⁸¹ Natural gas distribution companies seek flexible, risk-based options in any future integrity management regulations directed at distribution systems.⁸² Both versions of H.R. 5782 and S. 3961 would mandate the promulgation by OPS of minimum standards for integrity management programs for distribution pipelines within one year of enactment. As the OPS's study of distribution integrity management measures continues, Congress may act to ensure that any resulting regulations balance the potential benefits of improved pipeline safety with the potential costs to distribution pipeline operators.

⁸⁰ For example, see Rep. Zoe Lofgren, remarks at the House Homeland Security Committee, Intelligence, Information Sharing, and Terrorism Risk Assessment Subcommittee, hearing on "Terrorism Risk Assessment at the Department of Homeland Security," Nov. 17, 2005; Government Accountability Office (GAO), *Risk Management: Further Refinements Needed to Assess Risks and Prioritize Protective Measures at Ports and Other Critical Infrastructure*, GAO-06-91, Dec. 15, 2005, pp. 81-82; Dept. of Homeland Security (DHS), Office of Inspector General. *Progress in Developing the National Asset Database*. OIG-06-04. June 2006.

⁸¹ Pipeline and Hazardous Materials Safety Admin. (PHMSA) *et al. Integrity Management for Gas Distribution Pipelines, Report of Phase 1 Investigations*. Dec. 2005.

⁸² E. F. Bender, Baltimore Gas and Electric Company, testimony before the House Committee on Transportation and Infrastructure, Subcommittee on Highways, Transit and Pipelines, hearing on Pipeline Safety, Mar. 16, 2006, p. 10.

Mandatory Pipeline Assessment Intervals. The Pipeline Safety Improvement Act of 2002 requires that natural gas pipeline operators subject to the act perform integrity management reassessments at least every seven years after an initial baseline assessment (Sec. 14a). Some pipeline operators believe that this reassessment interval may be too prescriptive and may not be appropriate for all pipelines. Operators argue that assessing pipelines too frequently is costly and inefficient, diverting limited safety resources from other uses with greater pipeline safety benefits.⁸³ Based on assessments conducted through 2005, “and the generally safe condition of gas transmission pipelines,” the GAO has concluded that the seven year reassessment interval “appears to be conservative.”⁸⁴ The GAO recommends that Congress permit pipeline operators to reassess gas transmission pipelines at intervals based on risk factors, technical data, and engineering analyses. The agency believes such a revision would allow the OPS more flexibility to establish longer or shorter reassessment intervals as warranted by pipeline conditions.⁸⁵ Neither S. 3961 nor H.R. 5782 would change gas pipeline assessment intervals.

National Pipeline Mapping System Access. The National Pipeline Mapping System (NPMS) was established by the OPS as a publicly accessible geographic information system (GIS) containing geospatial and attribute data for pipelines and LNG facilities under OPS jurisdiction. The NPMS is an essential decision support tool for emergency planning, inspection planning, and safety enhancement in the nation’s pipeline system. While security issues related to the NPMS have always been a concern of the OPS, according to agency staff, the Chief Infrastructure Assurance Officer and other security personnel at the DOT determined by early 2001 that “NPMS data pose no threat to national security due to the inability of ‘worst-case scenarios’ to be derived from the use of these data.”⁸⁶ Notwithstanding this determination, in response to the terror attacks of September 11, 2001, the OPS restricted NPMS access to government officials and pipeline operators only and prohibited the transfer of NPMS data outside the NPMS system. Some analysts believe that these access and data restrictions hamper the ability of local agencies and the general public to incorporate essential pipeline information into local safety planning, ultimately jeopardizing public safety. They believe that the NPMS restrictions are also ineffective in preventing terrorist attacks because pipeline location maps are publicly available from other sources and because

⁸³ J. L. Mohn, Panhandle Energy, testimony before the House Committee on Transportation and Infrastructure, Subcommittee on Highways, Transit and Pipelines, hearing on pipeline Safety, Mar. 16, 2006, p. 9.

⁸⁴ Government Accountability Office (GAO). *Natural Gas Pipeline Safety: Risk-Based Standards Should Allow Operators to Better Tailor Reassessments to Pipeline Threats*. GAO-06-945. Sept. 8, 2006. p. 3.

⁸⁵ *Ibid.* p. 6.

⁸⁶ S. Hall, Office of Pipeline Safety (OPS), “The National Pipeline Mapping System: A Decision Support Tool,” paper for the 21st Annual ESRI International User Conference, San Diego, CA, July 9, 2001, at [<http://gis.esri.com/library/userconf/proc01/professional/papers/pap245/p245.htm>].

pipelines must be physically marked under federal regulation.⁸⁷ Congress may reevaluate whether the OPS's security restrictions on NPMS data are appropriately balanced with respect to their potential impacts on local community safety and security planning.

Conclusions

Both government and industry have taken numerous steps to improve pipeline safety and security since 2001. Federal activities in these areas are evolving and agency responsibilities are still being sorted out. Although pipeline impacts on the environment remain a concern of some public interest groups, both federal government and industry representatives suggest that federal pipeline programs have been on the right track. Furthermore, ongoing dialogue among the operators and federal agencies appears to be addressing many elements of federal pipeline safety and security policy that have been causing concern.

As oversight of the federal role in pipeline safety and security continues, questions may be raised concerning the effectiveness of state pipeline damage prevention programs, the promulgation of low-stress pipeline regulations, federal pipeline safety enforcement, the relationship between DHS and the DOT with respect to pipeline security, and particular provisions in federal pipeline safety regulation. In addition to these specific issues, Congress may wish to assess how the various elements of U.S. pipeline safety and security activity fit together in the nation's overall strategy to protect transportation infrastructure. For example, mandating pipeline security requirements could be of limited value if asset "criticality" is not clearly defined and federal threat information remains ambiguous. Likewise, diverting pipeline resources away from safety to enhance security might further reduce terror risk, but not overall pipeline risk, if safety programs become less effective as a result. Pipeline safety and security necessarily involve many groups: federal agencies, oil and gas pipeline associations, large and small pipeline operators, and local communities. Reviewing how these groups work together to achieve common goals could be an oversight challenge for Congress.

⁸⁷ C. Weimer, Executive Director, Pipeline Safety Trust, testimony before the House Committee on Transportation and Infrastructure, Subcommittee on Highways, Transit and Pipelines, hearing on Pipeline Safety, Mar. 16, 2006.