



THE SECRETARY OF TRANSPORTATION
WASHINGTON, DC 20590

June 8, 2016

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am pleased to submit this report in response to Section 5 of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Pub. L. 112-90). Section 5 of the Act includes the requirement that the Secretary of Transportation submit a report no later than 2 years after the enactment of the Act—based on the evaluation conducted under subsection (a)—containing the Secretary’s analysis and findings regarding:

Expansion of integrity management requirements, or elements thereof, beyond high-consequence areas; and

With respect to gas transmission pipeline facilities, whether applying the integrity management program requirements, or elements thereof, to additional areas would mitigate the need for class location requirements.

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is the U.S. Department of Transportation (DOT) agency responsible for administering the Department’s national regulatory program to assure the safe transportation of gas, petroleum, and other hazardous materials by pipeline. PHMSA has evaluated this requirement through the direct solicitation of stakeholder feedback, including industry, operators, regulatory agencies, and the public, including through public meetings and workshops.

PHMSA is currently considering proposals to improve both hazardous liquid and gas transmission pipeline safety by expanding selected integrity management program elements, including integrity, assessment, and repair, outside of high consequence areas (HCAs).

PHMSA evaluated several alternatives for changing the current regulations with respect to defining and ways to approach changes in class location, when they occur. Alternatives considered are as follows:

Using a single design factor for all pipeline class locations as an alternative to the current method for determining class locations.

Replacing the current sliding mile methodology for determining a class location unit by a methodology that is based on HCA Potential Impact Radius (PIR). An additional safety factor would be considered, if this method were proposed.

Expanding current class locations to include additional class locations for densely populated urban areas with buildings over four stories tall.

Using a bifurcated approach, suggested by the Interstate Natural Gas Association of America, to keep the current method for existing pipelines, but add a new method using the PIR approach for new construction and replaced pipelines.

Retaining the current method for determining class locations but revising the regulations for addressing changes in class locations. Such changes might include alternatives to pipe replacement, retesting, or de-rating, such as incorporation of integrity management practices to validate the condition of the pipe and to monitor the pipe within an integrity management process.

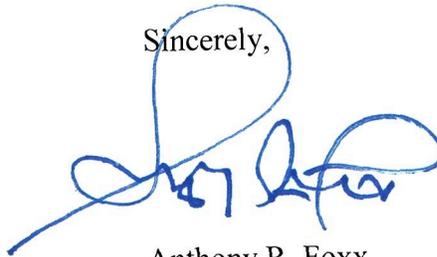
Any changes to the definition and usage of class locations in 49 CFR Part 192 will require a very thorough process. Class locations affect all gas pipelines and several subparts and sections of the Federal Pipeline Safety Regulations. Overall, the majority of stakeholder responses suggested that PHMSA not change the current class location approach for class locations and class location changes.

The final report for the study, entitled Evaluation of Expanding Pipeline Integrity Management Beyond High-Consequence Areas and Whether Such Expansion Would Mitigate the Need for Gas Pipeline Class Location Requirements, is enclosed.

I have sent a similar letter to the Ranking Member of the House Committee on Transportation and Infrastructure; the Chairman and Ranking Member of the House Committee on Energy and Commerce; and the Chairman and Ranking Member of the Senate Committee on Commerce, Science, and Transportation.

If I can provide further information or assistance, please feel free to contact me.

Sincerely,

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Anthony R. Foxx

Enclosure



THE SECRETARY OF TRANSPORTATION
WASHINGTON, DC 20590

June 8, 2016

The Honorable Peter A. DeFazio
Ranking Member
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Congressman DeFazio:

I am pleased to submit this report in response to Section 5 of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Pub. L. 112-90). Section 5 of the Act includes the requirement that the Secretary of Transportation submit a report no later than 2 years after the enactment of the Act—based on the evaluation conducted under subsection (a)—containing the Secretary’s analysis and findings regarding:

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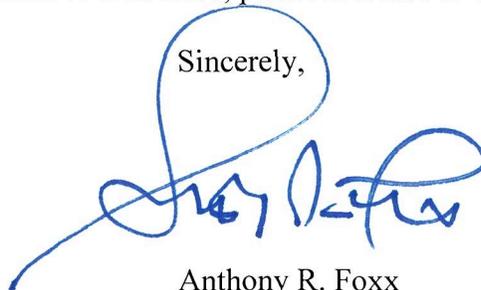
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June 8, 2016

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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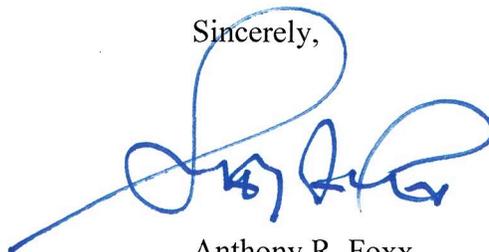
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June 8, 2016

The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Pallone:

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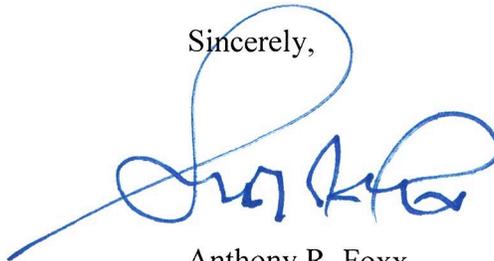
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The Honorable John Thune
Chairman
Committee on Commerce, Science,
and Transportation
United States Senate
Washington, DC 20510

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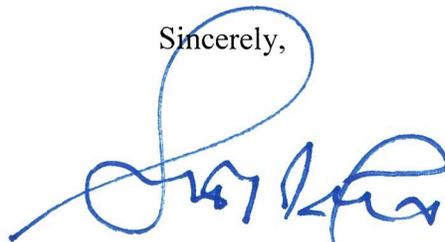
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THE SECRETARY OF TRANSPORTATION
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The Honorable Bill Nelson
Ranking Member
Committee on Commerce, Science,
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United States Senate
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Dear Senator Nelson:

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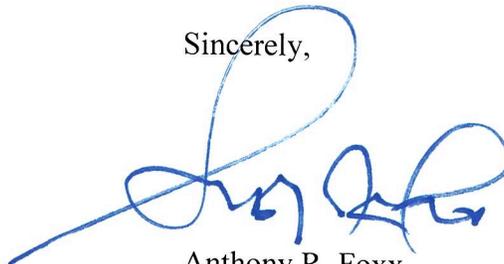
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