

U.S. DEPARTMENT OF TRANSPORTATION  
Pipeline and Hazardous Materials Safety Administration  
Technical Pipeline Safety Standards Committee  
Technical Hazardous Liquid Pipeline Safety Standards  
Committee

**JOINT COMMITTEE MEETING**

The Westin Alexandria  
400 Courthouse Square  
Alexandria, Virginia

1:00 p.m.  
Wednesday, December 9, 2009

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Committee

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## P R O C E E D I N G S

1:07 p.m.

Call to OrderCommittee and Staff Introduction

MS. FORD: Good morning.

ALL: Good morning.

MS. FORD: Without any further ado, Mr. Secretary, do we have a quorum?

MR. WIESE: I believe we do.

MS. FORD: Thank you. Thank you. Now we can go into Committee and Staff Introductions. We'll start on my right.

MR. WUNDERLIN: Jim Wunderlin. I work for Southwest Gas. I'm an Industry Member.

MR. COMSTOCK: Mike Comstock. I'm with the City of Mesa in Arizona. I'm an Industry Representative.

MR. STURSMAN: Don Stursma, Iowa Utilities Board. I'm a Government Representative.

MR. ROTHMAN: I'm Paul Rothman with the Port Authority of New York and New Jersey. I am a Public Member.

MR. DRAKE: Andy Drake with Spectra Energy, Industry member.

25

1           MR. MOHN: Jeryl Mohn with Panhandle Energy,  
2 Industry Member.

3           DR. LEMOFF: Ted Lemoff, National Fire  
4 Protection Association, representing the Public.

5           MR. DAVIED: Good afternoon. My name is  
6 Larry Davied. I work for Magellan Midstream Partners,  
7 Liquid Pipeline Industry Member.

8           MR. KUPREWICZ: Rick Kuprewicz, representing  
9 the Public.

10          MR. BUTTERS: Tim Butters, Chief of  
11 Operations, City of Fairfax Fire Department in  
12 Virginia, and Chairman of the Hazardous Materials  
13 Committee for the International Association of Fire  
14 Chiefs.

15          MR. SHELTON: Larry Shelton with Sunoco  
16 Logistics and Industry Representative on the Liquid  
17 Committee.

18          MR. PIERSON: Craig Pierson, Marathon  
19 Pipeline, Industry Representative on Liquids.

20          MS. PARKER: Lisa Parker, Public Member on  
21 the Liquids Committee.

22          MR. TAHAMTANI: Massoud Tahamtani, Virginia  
23 State Corporation Commission, Government.

24          MR. PEVARSKI: Rick Pevarski, Virginia  
25 Utility Protection Service, the One Call Center in

1 Virginia, and representing the Public.

2 DR. FEIGEL: I'm Gene Feigel. I'm with  
3 Hartford Steamboiler, Public Member.

4 MR. GALE: John Gale, PHMSA, Office of  
5 Regulations.

6 MS. PEARCE: Drue Pearce, Federal Coordinator  
7 for the Alaska Natural Gas Transportation Systems, and  
8 I am representing the Government.

9 MS. WHETZEL: Cheryl Whetzel, Office of  
10 Regulations. I'm the Advisory Committee Liaison.

11 MR. WIESE: I'm Jeff Wiese, Office of  
12 Pipeline Safety at Pipelines Hazardous Materials Safety  
13 Administration.

14 MS. FORD: We have Carl Weimer on the phone.

15 MR. WEIMER: Yes, Carl Weimer, Pipeline  
16 Safety Trust, Public.

17 MS. FORD: Thank you. We will proceed with  
18 our meeting.

19 Next, we'll have our Executive Director Jeff  
20 Wiese.

21 Meeting Objectives

22 MR. WIESE: First of all, let me express my  
23 thanks to Lula for helping me out. Lula learned about  
24 five minutes ago that I was going to ask her to chair  
25 this joint session. So again, my thanks to you.

1           Some of you who have been on the committee  
2 for a long time may recall some of our past  
3 commissioners, Bob Keating, Jeff Hatch-Miller, both of  
4 whom are no longer in their positions and couldn't  
5 continue, and then Lisa Edgar who is not here and  
6 couldn't make it.

7           So I would just note for the record that  
8 Denise Hamsher sent me a note. She's en route. I  
9 expect her here momentarily, as long as her plane is  
10 going to arrive, but some people from the Midwest seem  
11 to have escaped, Mr. Stursma being a case in point, but  
12 a few others are having difficulties getting out of the  
13 Midwest right now. So good to see you, Don.

14           Any rate, welcome, everybody, and more  
15 importantly, thank you for taking time out of your  
16 lives and your days to come here and help us with our  
17 Pipeline Safety agenda and moving that forward.

18           I'm going to turn to Cheryl in a minute.  
19 She'll run over a few protocol points and remind us of  
20 a few things, but I thought I wanted to take just a  
21 second again to thank you all because I know that each  
22 and every one of you are very busy people and many of  
23 us interact, you know, throughout the year and I know  
24 you've got your plates full. So we're particularly  
25 appreciative of the fact that you're willing to spend

1 your time helping us and hopefully we will work  
2 together. This committee has a long history of working  
3 together to forge really a consensus agenda for  
4 pipeline safety. So again, my thanks.

5 I also would be remiss if I didn't give you  
6 all kudos one more time for the last meeting we had  
7 which I think was one of the more challenging meetings  
8 that we've had as a group, but great things finally  
9 came out of that.

10 I'm pleased to say that with a little heat  
11 from some other people, both DIMP and Controller Room  
12 which were the major issues before us last time we met  
13 published on, I think, December 3rd and 4th,  
14 respectively. I might have the dates switched around,  
15 but suffice it to say just in time for this meeting, we  
16 managed to complete what you voted on last year.

17 It wasn't entirely that we were sitting on  
18 these packages. I just want you to understand that  
19 it's been a time of change, you know, and a lot of  
20 transition going on. So suffice it to say it's done,  
21 you know, that the hard work of writing the rule is  
22 done.

23 Now the big challenge of moving forward to  
24 figure out how to implement the rules, so we're already  
25 hard at work on that and we may get a chance to talk

1 some more about that.

2 Before I really run into the objectives of  
3 the meeting, I thought with your indulgence, I would  
4 ask Cheryl to just kind of go over some of the basics  
5 for us and remind us of a few points for this joint  
6 session.

7 Cheryl.

8 MS. WHETZEL: Thanks. Just a reminder that  
9 the meeting is being recorded and we do have the court  
10 reporter here. So if you could please say your name  
11 before you make a comment. Also for the committee  
12 members, these are push-to-talk mikes. It's a little  
13 always confusing, I know, but it helps to keep things  
14 quiet, but if you want to make a statement, you do need  
15 to push the mike.

16 Let me see. Is there anything else? If you  
17 want to -- when we get down to the calling a motion  
18 portion of the meeting, I did put the language in the  
19 book and under its own little tab. So we'll have that  
20 as an example to use, and you also will have  
21 complimentary copies of DIMP and CRM in the back of  
22 your book.

23 So I don't think I've missed anything.

24 MR. WIESE: I don't think so.

25 MS. WHETZEL: Nope. Okay.

1 MR. WIESE: Okay.

2 MS. WHETZEL: Thank you all for coming.

3 MR. WIESE: So, Lula, with your permission, I  
4 would go back really quickly and just review the  
5 objectives of our next day and a half.

6 Today's really the working session. We're  
7 going to vote today on two rulemaking packages. I  
8 think most of you are familiar with that. There's  
9 briefing materials in your binders on these two  
10 rulemaking packages.

11 We'll have presentations from two senior  
12 members of our staff following -- I'm sorry, John.  
13 Following a general overview of our rulemaking agenda  
14 by John Gale, by two senior members of our staff will  
15 come up, they'll brief it. We'll have plenty of time  
16 for the committee to discuss this, ask questions, and  
17 then with Lula's help, we'll move to a vote and we'll  
18 take care of this second agenda, and then I wanted to,  
19 you know, beg your indulgence and introduce, hopefully,  
20 my new boss.

21 I'm really pleased to report that Cynthia  
22 Quarterman is finally onboard and I think she would say  
23 the same thing because she was sitting in the wings  
24 waiting for this all to play out for quite awhile. I  
25 won't say this while she's here, but when she gets

1 here, you should know I worked for her before and so I  
2 think very highly of her. I did it at that time and  
3 I'm really happy to welcome her here. I think you'll  
4 like her, as well, and accordingly, we have arranged a  
5 little reception. It's a cash bar. It's the best  
6 government can do, you know. So we have a cash bar at  
7 roughly 5 o'clock, whenever we adjourn from here, and  
8 Cynthia, as well as Cindy Douglas, who's the Acting --  
9 not acting. She's now the permanent Chief Safety  
10 Officer for PHMSA will be here just to have an  
11 opportunity to chat with the committee members. So  
12 we'll make introductions and whatnot. So I'm looking  
13 forward to that.

14 Just really quickly, I won't cover the  
15 subjects in there, but I wanted to say to you that Day  
16 2, I was largely thinking of the committee. We have no  
17 votes on Day 2, but the committee has expressed to me  
18 numerous times that they'd like to do more than just  
19 vote on rulemaking packages. They'd like to be  
20 involved in giving us policy advice, you know, and  
21 reviewing things that were going on.

22 There's been a lot happening in our world  
23 over the past couple years. The last meeting was  
24 really driven by the need to move on our regulatory  
25 agenda, but I'm really looking forward to tomorrow.

1 Tomorrow is really policy level discussions on some  
2 interesting topics, everything from what others see as  
3 the energy future in the country and some of the moving  
4 parts to that to the challenges we've been facing from  
5 new construction we face together and new construction  
6 and some integrity issues and then to close something  
7 that's really been growing, you know, on the radar  
8 screen for us has been the broader issue of climate  
9 change.

10 We've invited a gentleman from EPA, from the  
11 Gas Star Program, to come in and talk to you about  
12 what's going on in the EPA and the emergence of climate  
13 change issues there, greenhouse gases, and Bob Smith,  
14 who works for us, many of you know, will also be  
15 joining him on that.

16 So really tomorrow's the fun day. We'll just  
17 talk policy and we'll get a few presentations strictly  
18 for background, but I'm looking forward to the dialogue  
19 with folks in there. So that really is the simple  
20 objectives here. We'll have two votes today and then  
21 tomorrow's fun.

22 So with that, I guess with your permission,  
23 I'll turn back to you, Commissioner Ford.

24 MS. FORD: Thank you. Thank you, Jeff. Our  
25 first item on the agenda is John Gale, Rulemaking

1 Agenda. John.

2 Rulemaking Agenda

3 MR. GALE: Thank you. Yes, my name is John  
4 Gale. I'm the Office Director of the Office of  
5 Regulations in the Office of Pipeline Safety.

6 Before I get on with my presentation, I would  
7 just like to offer my thanks to Cheryl for arranging  
8 and doing all the work involved in setting up this  
9 meeting. She always does a very good job in setting  
10 these up. It's quite a challenge to pull off and I  
11 just wanted to express my gratitude.

12 What I'd like to do real quick is go through  
13 some of the rulemakings that we should be working on  
14 for the coming year.

15 Flip to the next slide. Thank you. As Jeff  
16 pointed out, Control Room and DIMP were both published  
17 just recently, just last week, actually. Something I'd  
18 like to point out on the Control Room in terms of the  
19 compliance date for the implementation of the  
20 procedures, there was an error in one of the effective  
21 dates. It published as an effective date of February  
22 2012 and it actually should have been an effective date  
23 of February 2013, and as soon as -- when we make sure  
24 there's no more errors to correct, we'll be publishing  
25 something in the Federal Register to correct that.

1           Now some of you also, you know, could see --  
2 you can see where your vote was actually occurred last  
3 December for both of those rules. You probably wonder,  
4 you know, what takes so long sometimes for some of  
5 these rulemakings to get out and to be published.

6           Just to let you know, to make sure you  
7 understand, when a rule is deemed to be a significant  
8 rulemaking action, like Control Room and DIMP, there is  
9 additional review, additional analysis or, like I said,  
10 review of a rulemaking that's done by our Office of The  
11 Secretary and the Office of Management and Budget, and  
12 the average review time for those two things to occur  
13 is about six months and those are six months that are  
14 effectively outside of our control and so those  
15 rulemakings kind of started down that path, to go  
16 backwards, around May of last year.

17           So it's not like we're not working on these  
18 things, you know, pretty diligently, but in any of  
19 those rulemakings that are deemed significant actions,  
20 it's just additional review and time it takes to get  
21 those published. So I just wanted to point that out to  
22 you.

23           The next slide. Obviously the two rules  
24 we're discussing today, Standards Update and the One  
25 Rule, you know, depending on the actions that are taken

1 at the committee today, our hope would be to actually  
2 publish these rules in this coming spring. Neither of  
3 these rules have been deemed by the Office of  
4 Management and Budget as significant, so we wouldn't  
5 have that additional six-month review time that's  
6 necessary, at least at this time they're not, and if  
7 all goes well today, we can hopefully finalize those  
8 actions a little quicker for you.

9           Next slide, Kim. This past fall, back in  
10 October, actually October 29th, we published an  
11 Advanced Notice of Proposed Rulemaking on Third Party  
12 Excavation Damage Issues, specifically regarding to  
13 enforce damage protection laws in states that have  
14 inadequate enforcement to protect safety, which is  
15 compliance with the PIPES Act mandate.

16           And then, you know, pending the comments we  
17 received, pending additional direction, we will be  
18 developing a notice and hopefully publishing the Notice  
19 of Proposed Rulemaking some time in 2010.

20           We continue to work on developing a  
21 rulemaking related to Low Stress II to look at  
22 regulating those low stress lines that were not handled  
23 in Phase I. In other words, the smaller pipes that are  
24 inside USAs and the larger pipes that are outside the  
25 USA, and we're continuing to develop the regulatory

1 analysis to determine what course of action we should  
2 take on those lines, but we have not been able to  
3 finalize that yet. We're continuing to work on it.

4 Mr. Wiese continues to encourage me to finish  
5 that work up as quickly as we can and we hope to finish  
6 that up very soon, but that's something that's going to  
7 be definitely one of our priorities for this coming  
8 year.

9 Something we published just recently was just  
10 a small little editorial rule. It's making some  
11 inconsequential, non-substantive-type changes, but it's  
12 a nice way to kind of speed up the process, get those  
13 changes in, incorrect references, dates that are no  
14 longer needed, and clean up the book a little bit more  
15 efficiently, and it's something we're going to try to  
16 do so that we can take care of even the small things  
17 more efficiently.

18 We're looking at initiating what we're  
19 referring to as a "Miscellaneous Rule." This is a  
20 rulemaking that we're going to develop to address some  
21 recommendations from GPTC, some old outstanding  
22 recommendations from NAPSR. If there's any petitions  
23 at the time that are appropriate for this rulemaking  
24 that we receive from the industry, we're going to  
25 include those, and also we're looking at including some

1 recommendations that we have from our own staff and our  
2 own field offices into that rulemaking.

3           So that rule, we're hoping for maybe a Summer  
4 2010, you know. It all depends on other priorities,  
5 depending on how much work is involved with Low Stress  
6 II, how many comments we get on One Rule and Standards  
7 Update today, but if that occurs in Summer 2010, we may  
8 expect some kind of vote from the advisory committee,  
9 you know, in the Winter of 2010.

10           Also, what we're also going through right now  
11 is kind of what we're referring to as a "Gap Analysis"  
12 and we're looking at different gaps in our regulations  
13 between Part 192 and Part 195, looking for differences  
14 in those regulations, trying to identify the whys  
15 behind those differences, trying to look at differences  
16 in jurisdiction or gaps in jurisdiction, and depending  
17 upon how that review goes will dictate any kind of  
18 rulemaking action, but it's very possible that in the  
19 coming year that we could initiate a rulemaking action  
20 to address those gaps.

21           In the DIMP Rule, as you all are very well  
22 aware, we addressed the issue of excess flow valves for  
23 single family residences, but we also have an  
24 outstanding recommendation from the National  
25 Transportation Safety Board to deal with excess flow

1 valves for multi-person dwellings and commercial  
2 buildings and for the coming year, we're going to be  
3 studying that issue, analyzing that issue, and trying  
4 to determine what is our next course of action. But  
5 one of the options possibly is a Notice of Proposed  
6 Rulemaking addressing the issue of excess flow valves  
7 in those multi-person dwellings.

8           The next item there is actually not a  
9 rulemaking but it is an action item that has taken a  
10 lot of resources and time in our organization and it's  
11 the issue of changes to the incident and accident  
12 forms.

13           We have proposed changes to both the incident  
14 form for the gas incidents and for the liquid accident  
15 incidents. We're doing this actually through what's  
16 called the Information Collection Process which is a  
17 multi-step process involving the Office of Management  
18 and Budget. It involves two stages, at least two  
19 stages of public comment.

20           One is called a 60-day review period and then  
21 a 30-day. We've actually completed both of those and  
22 we're right now in the process of working with the  
23 Office of Management and Budget to get the approval of  
24 the revisions to those forms and the goal would be  
25 right now to get that approval done as soon as we can,

1 if not by January, soon thereafter. So you could see  
2 -- hopefully we'll see some kind of final action on  
3 those forms in the very near future, and that's all I  
4 have, Madam Chair.

5 MS. FORD: Thank you, John. Are there any  
6 questions for John?

7 (No response.)

8 MS. FORD: If not, we'll go right to Roger  
9 Little, Updates to Pipeline and Liquefied Natural Gas.  
10 Roger.

11 MR. WIESE: I think he's coming up now. If  
12 you'll allow me just a quick introductory comment, if I  
13 can.

14 On that last business on the Incident and  
15 Accident Forms, I know there are a lot of members here  
16 who are interested in that subject, so I'd ask Roger,  
17 as part of his presentation, to kind of give you a  
18 little more detailed update on that one, but we're very  
19 close, very close.

20 Agenda Item 1: Updates to Pipeline & Liquefied Natural  
21 Gas

22 MR. LITTLE: Good afternoon. I'm Roger  
23 Little. I'm the Director of Information Technology and  
24 Analysis with our Pipeline Program Office, and I'm  
25 happy to have a chance to talk with you all about the

1 One Rule that we hope will address many of our data  
2 improvement needs and some data gaps.

3           The rule was somewhat of a past work quilt  
4 addressing many different mandates, data gaps, and so  
5 forth. Just to clip through some of the mandates were  
6 in the PIPES Act. There were GAO and IG  
7 recommendations, as well, and the two NTSB  
8 recommendations, and an INGA petition. So we had a lot  
9 of things from different sources that had been  
10 recommendations for us to act on that we tried to clear  
11 out with this One Rule. So hopefully we have some  
12 efficiency in the process.

13           I'll get into a little bit more detail on the  
14 specific recommendations and the elements in the rule.  
15 The rule proposed, first, to change the definition of  
16 the Gas Incident to require reporting an explosion or  
17 fire not intentionally set by the operator. This was a  
18 GAO recommendation to have consistency across the  
19 reporting criteria. That's a criterion for liquid now  
20 and so we invited comments on proposing that for a gas  
21 requirement in the definition.

22           Also, we were asked to establish a volumetric  
23 basis for reporting gas events. We proposed three  
24 million cubic feet. We'll have some discussion as we  
25 move through the presentation on that topic, as well.

1 That goes to PIPES Act Section 15 to mandate GAO  
2 recommendation and the INGA petition.

3 We also had a recommendation from GAO to  
4 merge Gas Integrity Management Semiannual Performance  
5 Metrics with the Annual Reports and also revise the  
6 Annual Report Leak Cause Categories to align with those  
7 for the Gas IMP Reporting.

8 We also had two NTSB recommendations that  
9 went to Hazardous Liquid Telephonic Notification that  
10 asked us to require operators to have and use a  
11 procedure to calculate and report a reasonable initial  
12 estimate of released product and to also provide an  
13 additional telephonic report to the National Response  
14 Center if significant new information becomes available  
15 during the emergency response phase of an event.

16 An IG report suggested that we improve our  
17 information by requiring state by state reporting on  
18 the Annual Report for Hazardous Liquid Pipelines.

19 We also are addressing something we believe  
20 is a mission-critical internal need for what we  
21 proposed as the National Registry of Pipeline and LNG  
22 Operators or the OPID Registry for short.

23 We also are closing a data gap by proposing  
24 that we create a new LNG Incident and Annual Report  
25 Form. Those have been exempt through regulations

1 currently.

2           We also, in the spirit of moving to  
3 electronic reporting, which is one of our goals,  
4 identified that we had a couple of forms that weren't  
5 OMB approved forms and in the interest of moving to  
6 full electronic reporting, we thought we would clean  
7 those up. So we're proposing OMB-approved forms for  
8 safety-related condition reporting and also pipeline  
9 condition reporting.

10           So those were the elements in the One Rule.  
11 There's quite a lot of different elements in there.  
12 Those go broadly, for the most part, towards data  
13 quality improvement objectives that we have as an  
14 agency.

15           I mentioned also the LNG Incident Report, an  
16 annual report. That closes the data gap, as I  
17 mentioned. This is basically just a rehash of what I  
18 covered in the slightly different view, showing, you  
19 know, how elements align with different strategies we  
20 have for our data collection and improvement.

21           I mentioned that the OPID Registry we thought  
22 was a mission-critical element. We have another one  
23 that we identified in the rulemaking that we believe is  
24 a mission-critical element, as well, and that is the By  
25 State Information for the Hazardous Liquid Annual

1 Report. We need that to have basic information on  
2 infrastructure and to be able to address risk by  
3 location.

4 I'm going to step through very quickly.  
5 We've got, I think, 30 minutes for my presentation and  
6 there's like half an hour for discussion. So I can  
7 sort of clip through, but we'll be taking these one at  
8 a time and some opportunities for discussion.

9 The first element, Modifying the Scope of  
10 Part 91. We propose to modify the scope of Part 191 to  
11 basically fix an oversight in the previous gathering  
12 rulemaking where the changes that were made in the  
13 scope of Part 192 weren't reflected back in 191.1.  
14 That one received pretty much general support. There  
15 was a recommendation that, you know, we fix that  
16 oversight. So this is the method that we're proposing  
17 to do that.

18 Do you want to wait till the end to go  
19 through alternatives or go through them as we go?

20 So, you know, basically, I mentioned that for  
21 the first element, the comments were generally  
22 supportive. The alternatives are basically adopt as  
23 proposed or don't adopt the edit to 191 to match 192 or  
24 if you have other suggestions, we're open for other  
25 alternatives.

1           MR. GALE: Madam Chair, just real quick, I  
2 kind of will throw this out to the advisory committee  
3 to see how we can move forward with this.

4           Because this rulemaking deals with lots of  
5 different areas, lots of different parts of the  
6 regulations, we could either go through in general the  
7 presentation for the whole rule and then come back to  
8 the areas you want to discuss or we could just go  
9 through for, you know, each of the proposals the  
10 different alternatives we've identified for you for  
11 possible consideration.

12           So I'll kind of throw it out to the tack. We  
13 can either go through it as individually or we can go  
14 through it just, you know, in total and then come back  
15 to the issues of concern that want to be raised by the  
16 members.

17           MR. STURMSMA: Doc, what you provided to us in  
18 this folder seems to anticipate that there's going to  
19 be an individual committee decision on a number of  
20 items, you know. Every time you give us the three  
21 options, adopt, don't adopt, or as recommended, you  
22 appear to anticipate, you know, the committee decision  
23 specific to that item.

24           So unless there's a reason to depart from  
25 that, I'd just as soon keep it to the individual items

1 and don't get sidetracked.

2 MR. GALE: Okay. Thank you.

3 MS. FORD: Is there a general consensus to  
4 this method? Thank you.

5 MR. LITTLE: So the second element, we're  
6 proposing to modify the scope of Part 191.

7 MR. GALE: So just real quick, so for this  
8 proposal, the alternatives we've come up with for this  
9 issue is just as adopt as proposed, to not adopt, or as  
10 recommended by the advisory committee.

11 This was not a very controversial issue. In  
12 some ways you could consider this kind of a clean-up or  
13 I believe what this initiated from an issue from Low  
14 Stress I, where a change in Part 191 had not occurred  
15 in which it should have.

16 So if there's no other comments or issues or  
17 concerns raised by the advisory committee on this one  
18 proposal, we can just kind of move on to the next one.

19 MS. FORD: Concerns?

20 MR. STURMSMA: Yes. Now this scope includes  
21 gathering lines? This part is where the changes to the  
22 gathering line definition will be incorporated,  
23 correct?

24 MR. LITTLE: That is correct.

25 MR. STURMSMA: And as was pointed out in IOM

1 NAPSRS comments, there's been some past discussion,  
2 bordering on promises, that they're also going to look  
3 at getting some incident information on otherwise  
4 unregulated gathering lines to see if there's a problem  
5 that might justify an increased federal oversight.

6           So I'd like to know what consideration has  
7 been given to that.

8           MR. LITTLE: There was in the Low Stress  
9 Phase I rule a proposal to collect information in that  
10 rulemaking on incidents and for regulated lines to  
11 begin filing annual report information for liquid  
12 lines.

13           We actually don't have guidance on other  
14 unregulated gas lines for reporting requirement at this  
15 time. It's something we could take into consideration.

16           MR. STURSMAN: I would suggest then you review  
17 the NAPSRS comments where it discusses some comments  
18 that were made in a prior rulemaking where it seemed  
19 implied that some more work was going to be done in  
20 that area and a NAPSRS resolution seeking some more work  
21 in the area of additional reporting on unregulated  
22 lines while we're still in the process of deciding  
23 exactly which of the current unregulated lines should  
24 perhaps be regulated or not.

25           MS. FORD: Jeff, would you like to add

1 something to that?

2 MR. WIESE: Just really quickly, a couple of  
3 quick points. One is that for a procedural matter, I  
4 think we've decided to go with these one at a time, the  
5 things that were served up and vote on those. So there  
6 will be plenty of time for broader policy things, but  
7 what we're really asking you now is to vote on that  
8 thing before you, but in response to my friend Don, I  
9 also want to remind everybody when you speak, as I  
10 didn't, this is Jeff Wiese, wanted to make sure to  
11 remind everybody to say your name so that the court  
12 reporter has that.

13 I would say John introduced something, Don,  
14 that was what we call the Gaps and Overlaps and Holes  
15 Study that NAPSRS is sitting on a study team with Mike  
16 Israni and several folks. We can go into that in more  
17 detail, but that, what you're pointing out, is a hole.  
18 I think we recognize that and we intend to be  
19 responsive in that regard and in that rulemaking.

20 So, Roger, it may be helpful in each one of  
21 these times, if you want to run through it, fine, but  
22 then just remind everybody what we're voting on and  
23 then what the options are and you can proceed that way.

24 MR. LITTLE: Any other concerns or comments  
25 on the first proposal, and do we want to vote at this

1 time?

2 MS. FORD: I'm sorry. One comment.

3 MR. KUPREWICZ: Rick Kuprewicz, representing  
4 the Public. I guess I don't want to be obstructionist  
5 here, but I'm a little confused and I think it's very  
6 important that I be unconfused before I vote.

7 I think you're asking both the Liquid and the  
8 Gas guys to vote, if I'm correct.

9 MS. FORD: Correct.

10 MR. KUPREWICZ: My observation, I saw a lot  
11 of comments, and I actually had to read them as a  
12 representative of the Public, and I just want to be  
13 sure I understand each one of these sections is taking  
14 people because it's not clear to me, based on all the  
15 comments I read.

16 The last thing as a Public Representative I  
17 want to see is we vote on something that we weren't  
18 clear about and it's now a matter of regulation and,  
19 you know, we weren't that -- I call it the 90 percent  
20 rule. We weren't -- we didn't get to 90 percent, we  
21 got the 10 percent and the 90 percent's confusion. So  
22 I don't know if you can help me here, but I'm confused  
23 and when I'm confused, I don't tend to vote.

24 MR. WIESE: With your permission, this is  
25 Jeff speaking, that's a good point. I mean, clearly,

1 there are going to be items in here that are only  
2 relevant to one committee or the other. So my  
3 apologies for that.

4 As we go forward, and I know Roger knows  
5 which they are, so I will ask again, sorry for not  
6 rehearsing our procedure beforehand, but you're  
7 absolutely correct. We have to identify the committee  
8 that we're asking for a vote from.

9 In some cases, it'll be both, you know, but  
10 in other cases, it's clearly one committee or the  
11 other. So does that work, Roger? You know this.

12 MR. LITTLE: Yes, this is, I believe, is  
13 clearly a Gas issue. It goes to the Gas Regulations.  
14 So I'm --

15 MR. WIESE: TPSSC vote.

16 MR. LITTLE: Right.

17 MR. WIESE: Okay.

18 MR. LITTLE: Thank you for the question and  
19 for the clarification.

20 MR. WIESE: Okay. So since we've had so much  
21 discussion, would it be helpful if Roger just reviews  
22 again for the TPSSC what you're voting on and your  
23 options? Okay.

24 So, Roger, would you review that one more  
25 time?

1           MR. LITTLE: Yes.

2           MR. WIESE: We'll work out the methodology  
3 going forward.

4           MR. LITTLE: Yeah. The proposal was that we  
5 modify the scope of Part 191 to reflect changes made in  
6 the definition of gas gathering lines that was changed  
7 in the Gas Gathering Rule.

8           I don't actually have the language with me,  
9 you know, for what that definition change was, but the  
10 change that was adopted in 192 to the definition of a  
11 gas gathering line did not get picked up in the  
12 Definition Section in 191.1. A very simple oversight.  
13 It shouldn't have been something that was  
14 controversial. That rule was proposed. The definition  
15 was proposed.

16           This is an administrative clean-up simply to,  
17 you know, correct something that was generally already  
18 approved. So we didn't see it as anything  
19 controversial and the comments didn't seem to indicate  
20 that there was any controversy about it.

21           So with that, do we have -- are we ready for  
22 a vote? Any more questions on the issue?

23           MS. FORD: Any other questions?

24           (No response.)

25

1           Vote - Agenda Item 1: Committee Discussion

2           MS. FORD: Today, we will be voting on the  
3 Pipeline Notice of Proposed Rulemaking for the Update  
4 Pipeline and Liquefied Natural Gas Reporting  
5 Requirements.

6           Do I hear a motion?

7           MR. PEVARSKI: So moved. Rick Pevarski.

8           MS. FORD: Pardon me?

9           MR. PEVARSKI: Rick Pevarski. I have to say  
10 my name first.

11          MS. FORD: Okay. Is there a second?

12          MR. DRAKE: I'll second.

13          MS. FORD: Your name, please.

14          MR. DRAKE: This is Andy Drake. Andy Drake  
15 with Spectra. I'll second.

16          MS. FORD: Any discussion on the motion?

17          (No response.)

18          MS. FORD: But I think we have to do the  
19 proposed the way she recommended the simple language.  
20 Rick, if you would go back and look under your tab to  
21 call the motion on either one of the single language  
22 motions.

23          MR. PEVARSKI: The motion will be the  
24 proposed rule is published in the Federal Register and  
25 the draft regulatory evaluation are technically

1 feasible, reasonable, cost effective, and practical.

2 MR. KUPREWICZ: Point of order. We're voting  
3 only on the scope of Part 191 issue at this time, not  
4 on the rulemaking in its entirety. I believe that was  
5 the intent but I want the record to reflect that.

6 MS. FORD: Okay. All right. That is the  
7 intent.

8 Do we vote? Roll call, please. We don't  
9 need a roll call? Okay. Show of hands. In favor of?

10 (Show of hands.)

11 MS. FORD: Opposed? The motion carries.  
12 Thank you.

13 MR. LITTLE: The next element in the One Rule  
14 for consideration was a proposal to change the  
15 definition of the incident in Part 191. We propose to  
16 change the definition of an incident to require an  
17 operator to report an explosion or fire not  
18 intentionally set by the operator and we also propose  
19 to change the definition to establish a volumetric  
20 basis and we propose 3,000 mcf as the volumetric basis  
21 for reporting unexpected or unintentional gas loss.

22 3,000 mcf, as we said in the Notice of  
23 Proposed Rulemaking, was a number that we thought was a  
24 median number between the gas distribution incident  
25 reported events and the gas transmission incident

1 reported events over time that would minimize any  
2 skewing from having that definition moving forward.

3           We got comments on that. In the comments, we  
4 also got some comments about Fire First in the process.  
5 Some of the comments were that Fire First results in  
6 unreasonable reporting burden on the fire explosion  
7 criteria. We had comments that it was inappropriate  
8 for gas events and, in particular, for gas distribution  
9 maintenance activities and other things that are often  
10 very small flash fires during boring procedures and  
11 other things that, you know, would need clarification  
12 about whether those would be reportable.

13           There were comments that the proposed gas  
14 loss criterion of 3,000 mcf was too low. Also, there  
15 was a comment that the \$50,000 criteria should be  
16 increased, changing the definition to increase that  
17 amount. There was a comment that LNG rollovers and  
18 emergency shutdowns should be added to the definition  
19 for reportable events and that would go to the LNG-  
20 proposed incident report.

21           Also, there was a comment that causality in  
22 the definition should be considered, both to focus on  
23 events that cause consequences and to avoid  
24 implications of causality. That really refers to the  
25 fact that in the liquid definition we have events that

1 cause a reportable incident/accident in the liquid as  
2 an event that could involve any of the following and  
3 the involve any of the following leads itself to some  
4 confusion and we believe that ties in with the Fire  
5 First confusion. So we generally think that that was a  
6 good comment and something worth considering.

7 That's generally a summary of the comments  
8 that we had to the Notice of Proposed Rulemaking on the  
9 proposed change in the definition.

10 MS. FORD: Are we ready to vote, Roger?

11 MR. WIESE: Was there a comment?

12 MR. LITTLE: Almost. The next slide shows  
13 the proposed alternatives. For the Fire First,  
14 basically we're separating out the topics one at a time  
15 for consideration for the comments on the proposal to  
16 the change in definition.

17 For the Fire First comment, you know,  
18 basically we didn't have a discussion about Fire First  
19 or consideration for Fire First in the Notice of  
20 Proposed Rulemaking. So, you know, we understand the  
21 confusion and why that comment is there, but we believe  
22 it's generally outside of the scope of the rule.

23 So an alternative that we might consider is  
24 to, you know, consider that as a separate rulemaking  
25 initiative. We've had quite a bit of discussion about

1 that and we're taking it under careful consideration.

2 For fire, the first real element that we had  
3 that was part of the scope was the fire or explosion  
4 comment, and the alternatives for that are to adopt the  
5 proposal as it was proposed or do not adopt it or  
6 another alternative might be that there was a  
7 consideration that the fire explosion might be relevant  
8 for transmission but not for distribution.

9 Distribution in particular is where we had  
10 the concerns stated for the maintenance activities and  
11 construction activities related to those small flash  
12 fires, or there might be a consideration for a  
13 combination of something else or any other alternative  
14 as recommended by the group here today.

15 So those are the considerations that we would  
16 like to ask for you to consider for voting today.

17 MS. FORD: Before we go to that vote, Jeff  
18 would like to make some comments.

19 MR. WIESE: First of all, let me apologize to  
20 the committee for not being more organized. Let me  
21 point out something. I noticed that a few people have  
22 already discovered this.

23 We could have started our discussion by  
24 saying in your notebook, if you go to the tab that says  
25 NPRM One Rule, you will, first of all, find a briefing

1 paper, very high level kind of review, Roger covered  
2 that early on.

3 The second thing you will find is a table  
4 that really summarizes the comments, a lot of what  
5 you'll see on Roger's slide, but it may facilitate your  
6 discussion and voting as far as this provision goes.

7 And then the third thing I'd like to point  
8 out to you is that the NPRM itself is included right  
9 behind that table and if you care to, you can turn to  
10 that Federal Register Notice, Page 31,677, and you can  
11 follow along on all the changes that we're going to be  
12 voting on.

13 So I apologize for any confusion. Hopefully  
14 that will clarify. We're going to take each of these  
15 sections one by one. So with that, thank you.

16 MR. LITTLE: Thank you.

17 MS. FORD: Are we ready for the vote?

18 MR. KUPREWICZ: Sorry to be an  
19 obstructionist. I'm not a voting member of the TPSSC  
20 on the Liquid side, but I think I'm hearing that all  
21 the comments related to the Fire First were not really  
22 the intent of the regulation. You are after the  
23 pipeline jurisdictional issues related to either  
24 distribution or transmission.

25 And the other thing I'm hearing, and I'm not

1 sure I'm hearing correctly, I could be wrong, if I am,  
2 there may be others in the room, is I think your intent  
3 with GAO was to capture major fires and explosions.  
4 Explosions are bad events and under pipeline  
5 jurisdiction.

6 Now I may be summarizing that in error, but  
7 if I were voting, that would be something I'd want to  
8 understand.

9 MR. LITTLE: This is basically a gas proposal  
10 and as gas only, it goes to the definition of an  
11 incident for gas-reported events.

12 The GAO recommendation was to achieve  
13 consistent cause categories across all forms. The  
14 cause categories themselves, we did align through the  
15 incident form and accident form revision that John  
16 mentioned earlier that's moving towards closure. We  
17 got 32 cause categories now that are broadly  
18 identified.

19 This was something that we considered  
20 internally. While it's not a cause category itself, it  
21 was part of a definition that was a distinction between  
22 the two and we may have been somewhat overzealous in  
23 our interpretation of GAO's request. It didn't  
24 specifically go to saying that we needed to make that  
25 specific change. So I wanted to clarify that.

1           We, in broadly interpreting it and trying to  
2 leave no stone unturned, proposed to put in there.  
3 Internal discussions we've had, we generally concur  
4 with the commenters, mostly from the distribution side.  
5 The American Public Gas Association in particular had  
6 quite a bit of comments on that particular point, and  
7 we, after evaluating their points, we see the point  
8 that for the gas distribution, those incidents, if we  
9 didn't change the definition to say that it had to be  
10 \$50,000 criteria for damage for a fire or something  
11 like that, that these small events could overwhelm our  
12 data reporting. That was generally the observation.

13           And so, you know, we're generally concurring  
14 with that. That wasn't the intent of what we proposed.  
15 It was sort of an unintended consequence of having  
16 something that made more sense for a liquid event than  
17 for a gas event in the first place.

18           MR. KUPREWICZ: Rick Kuprewicz again. I just  
19 for the matter of public perspective, I think there's a  
20 lot of fires out there, both liquid and gas, that are  
21 relatively minor.

22           One of my objectives as the Public  
23 Representative is to ensure we don't punish the  
24 industry with overzealous detail that loses the bigger  
25 issues. From a public perspective, I'd like to

1 understand major fires be my input and any explosion is  
2 an uncontrolled event. That's a reportable event.

3 Now, it may not dovetail with the present  
4 proposal, but that's a public perspective that I think  
5 would give you a very core database that's relevant to  
6 where the public would be interested. Anyway.

7 MR. COMSTOCK: Madam Chairman, thank you. My  
8 name's Mike Comstock. I represent the American Public  
9 Gas Association on the committee, and thanks to Mr.  
10 Little for summarizing our comments so effectively. We  
11 appreciate that and your consideration and taking those  
12 comments to heart in what we thought was something that  
13 should be addressed initially.

14 I think if you look back on the history of  
15 OPS between 1970 and 1984, this type of data was  
16 actually collected for a 14-year period and there was  
17 about 400 events a year. In 1984, OPS actually defined  
18 this data-gathering as nonproductive data-gathering and  
19 did away with it to the point that it was not required  
20 to be reported at this point.

21 So if the alternative is to remove 1A, APGA  
22 would support that and would move forward, if that's  
23 what you're suggesting.

24 MR. GALE: Madam Chair?

25 MS. FORD: John.

1           MR. GALE: Yeah. John Gale. Just to be  
2 clear, Mr. Comstock, what we're saying is, and just to  
3 be clear, it was not our intent by this change to bring  
4 in Fire First incidents into the pipeline safety regs.

5           What we were -- there's also a belief by some  
6 or at least a belief by this organization that the  
7 regulations currently could be interpreted to be read  
8 to require the reporting of Fire First today. So no  
9 change in our regulations will be necessary to bring  
10 Fire First incidents into the regulations.

11           Our proposal was on top of that already  
12 believed interpretation. When we say that we would --  
13 that Fire First in terms of 1A here is outside the  
14 scope of this rule, make sure you understand that we're  
15 not saying that Fire First incidents are not required  
16 to be reported. What we're saying is that any change  
17 to or any of the comments we got on Fire First are  
18 outside the scope of this rule because we didn't  
19 propose Fire First, at least that was not our intent.

20           I understand that some believe that by  
21 proposing the change to include fires in the definition  
22 of an incident, we brought in Fire First incidents. I  
23 hope that was clear.

24           MR. WUNDERLIN: This is Jim Wunderlin,  
25 Southwest Gas. I also appreciate you, PHMSA, trying to

1 improve the definition of incident, etcetera, but I  
2 have concern about Fire First in that if you're saying  
3 that the existing definition is adequate, that troubles  
4 me.

5 We want to make sure and clarify that the gas  
6 is the cause the fire and I'm not sure that's truly  
7 clear at this point. So it has to be gas causing the  
8 fire, not the Fire First and then as a result the gas  
9 meter melts and then there's a secondary fire because,  
10 like we talked about earlier, we would be overwhelmed  
11 with reporting basically every house fire.

12 If it's a major house fire, it's going to  
13 melt the meter and gas is going to be involved at some  
14 point, but I think we need to make sure that it's clear  
15 that the fire was caused by gas or the explosion was  
16 caused by gas.

17 MR. LITTLE: Thank you for the clarification.  
18 That was also one of our considerations and also in  
19 thinking about the potential for thousands of these  
20 reportable events, the benefit of having that  
21 information, considering that we are increasingly  
22 asking our state partners to review gas distribution  
23 events that are reported for clarity and so forth,  
24 would create an additional reporting burden on our  
25 oversight and review should we go after such, you know,

1 minimal threshold types of events.

2 Other comments?

3 MR. WIESE: This is Jeff Wiese. Just wanted  
4 to add, if I could, so I think we're quite sensitive to  
5 discussion on Fire First. We're, I would go so far as  
6 to say, sympathetic to the discussion on Fire First.  
7 What we're trying to say to you on 1A is that it's not  
8 germane right now and that we don't believe that it's  
9 part of this rulemaking. So regardless of our posture  
10 on the issue, it's not ripe for voting on because it's  
11 not part of the rulemaking.

12 That said, I would quickly add, and if you  
13 can check me on this as I'm sure you will, we're  
14 sympathetic to the point where we filtered out Fire  
15 First data on our website because we generally agreed  
16 with the issue and if you would go to our Stakeholder  
17 Communications website, I think it's from 2004, if I'm  
18 not mistaken, forward, that was the year in which we  
19 really had enough of a handle on the data to be able to  
20 start filtering it out. You'll see there's a footnote  
21 on there that said Fire First events had been filtered  
22 out.

23 So I just wanted to clarify that as far as 1A  
24 goes, there's not a vote to really be had and that's  
25 the advice we get from our counsel. So thank you.

1 MS. FORD: Don.

2 MR. STURSMAN: Don Sturmsma. Seeing how I  
3 think the majority of commenters in both this docket  
4 and in your separate proceeding, you're actually  
5 proposing actual forms, seemed to read it as being a  
6 Fire First incident. I hope the language being used  
7 will be carefully examined in the final rule and the  
8 preamble will very thoroughly explain that, you know,  
9 what you really mean.

10 But I'm also a little bit unclear, if it's  
11 not Fire First, why this is being proposed, any  
12 ignition, any explosion. I find a leak in my -- I'm in  
13 a distribution system. I find a leak on my pipeline.  
14 I dig a bell hole, expose the leak, it's blowing gas.  
15 Static electricity ignites it. I have a fire in the  
16 hole, but nobody's hurt. Damage is minimal. It goes  
17 out when I shut the gas off.

18 I'm trying to figure out why this is an  
19 incident that requires a federal report. I mean, it's  
20 pretty minimal.

21 MR. LITTLE: Well, in our internal  
22 consideration, we were asking the same question. So  
23 that's one of the reasons we thought we were far enough  
24 along with that today to, you know, have it up for  
25 discussion and get feedback so that we could in the

1 final rule elaborate on the different positions and  
2 considerations as we make a final determination.

3 MR. STURSMAN: To me, a fire explosion ties  
4 back into the damage amount. Any fire explosion you're  
5 going to get all kinds of piddly stuff and not provide  
6 useful information. I think you need a threshold at  
7 which a fire explosion is worth a report.

8 MR. WIESE: If I may ask, Roger? When this  
9 discussion came up internally, Don, we were wanting to  
10 differentiate, and obviously not doing so clearly,  
11 between what would happen in a distribution event, what  
12 would happen in a transmission event.

13 I'd asked Roger to talk about with some of  
14 our international colleagues to better understand the  
15 kind of incident. I mean, we can respond to you in a  
16 number of different ways and some people will tell you  
17 that some share of those events are precursor events,  
18 you know, but for the grace of God or some other  
19 intervention, you would have had something that was  
20 automatically reportable and so that kind of data can  
21 be useful in understanding, you know, the incident rate  
22 of these kinds of semi-precursor events.

23 But I think we are sensitive to the -- when  
24 you make a distinguishing comment about distribution  
25 versus transmission, Roger, would you care to summarize

1 kind of your conversations about the international?

2 MR. LITTLE: Yes. We talked with the  
3 National Energy Board, with some of the representatives  
4 there. They do not have that collection there. They  
5 did say that they thought it would be useful  
6 information to have. They made that comment, but they  
7 don't collect it, and the International Gas Union, the  
8 IGU, and the European Union does not collect that  
9 information either for transmission or distribution.

10 So, you know, we did check to see if there  
11 was something we could learn from others that might  
12 have such a collection as part of our consideration.

13 MR. WUNDERLIN: Jim Wunderlin, Southwest Gas.  
14 So we're discussing 1B now.

15 MR. LITTLE: Right. That's correct.

16 MR. WUNDERLIN: The three alternatives. I  
17 don't know if I'm getting ahead of myself here a little  
18 bit, but based on our discussion about fire and we  
19 haven't got a definition of, you know, very small fire  
20 concerns us. That would be reportable.

21 I would need to take the position to not  
22 adopt a proposal. You haven't called for that yet, but  
23 that's where I'm at now.

24 MS. FORD: Is that a motion?

25 MR. WUNDERLIN: I'll make that a motion.

1 MS. FORD: Is there a second?

2 SPEAKER: Second.

3 MS. FORD: All in favor?

4 DR. LEMOFF: Is there discussion?

5 MS. FORD: Discussion? Sir?

6 DR. LEMOFF: Ted Lemoff. I speak in  
7 opposition to the motion. I understand the concerns.  
8 I think they're very valid. Certainly no one wants to  
9 see reports of essentially the equivalent of a pilot  
10 flame because of a leaky flange or something else, but  
11 I think that all data can be valuable. We don't want  
12 the trivial stuff.

13 So I think with some criteria, I would find  
14 this acceptable. I agree that the way it is now, but I  
15 would propose some criteria to cut off essentially the  
16 pilot-size leaks and the very small leaks that don't  
17 have any consequence above a certain -- and I don't  
18 know. I'm not going to throw a number out.

19 And I'm also -- one point that I kind of  
20 missed. We talk about Fire First. What if there's an  
21 equipment failure that's part of the pipeline equipment  
22 that releases gas and causes a fire? I mean, the  
23 pipeline equipment is the cause and we have fire, and I  
24 wasn't clear how that would show up or be reported.

25 MR. LITTLE: Ted, thanks for your comments.

1 Right now, just a point of clarification. A fire  
2 associated with an event is a category on the form. So  
3 if there's a \$50,000 property damage, currently we'll  
4 know that there was a fire that was associated with it.

5 We're proposing in the change of this  
6 definition to adopt -- we propose 3,000 mcf. When we  
7 get to that, we're going to talk about 10,000 versus  
8 20,000 as some alternatives and open up the floor for  
9 that discussion. So there will be a volumetric basis  
10 and then again for that volumetric basis and for 50,000  
11 or more, we're already going to have the information.  
12 So we do have some thresholds that sort of are inherent  
13 in the current definition.

14 If you're proposing something below \$50,000,  
15 again that's, you know, one of the alternatives that we  
16 might, you know, have you all identify something  
17 different that we haven't considered. So just a  
18 clarification on the point you made there.

19 MR. STURSMAN: I'd like to respond. This is  
20 Don Stursma. I'd like to respond to the gentleman and  
21 -- excuse me. I'm out of order.

22 DR. LEMOFF: Ted Lemoff. If I can, through  
23 the chair, ask Roger a question.

24 Are you saying or not saying that it was the  
25 intent of this volume and dollar figure that's

1 elsewhere to apply to fire and explosions?

2 MR. LITTLE: What I was saying is in the  
3 current form and its reporting, if I were in an  
4 explosion, the bullet's on the form. So you know if a  
5 fire or explosion happened and anything where \$50,000  
6 in consequences is reported.

7 Fire or explosion in itself is not currently  
8 a reason in and of itself to report it. You have to  
9 hit, you know, -- some of the other triggers, a death  
10 or injury, \$50,000 property damage, the other existing  
11 criteria, then you'll know that a fire or an explosion,  
12 either one happened.

13 DR. LEMOFF: Okay. I think you answered my  
14 question, that if you don't report a leak unless it  
15 exceeds the dollar or volume criteria, which I think  
16 addressed Mr. Wunderlin's concern. Thank you.

17 Thank you, Madam Chair.

18 MS. FORD: Donald.

19 MR. STURSMAN: The existing rules do not  
20 require reporting of an explosion or fire unless it  
21 meets certain damage or injury thresholds. The  
22 proposed rules would require any fire or explosion be  
23 reported with no bottom line, no threshold, anything  
24 would have to be reported, and I think that's the  
25 reason that at least I voted to support amendment that

1 this piece not be adopted because right now reports --  
2 right now if this happens and there's a certain level  
3 of damage or injury, they are reportable. To require  
4 anything at all be reported with no threshold  
5 whatsoever, that I oppose.

6 MR. WUNDERLIN: Tim Wunderlin, Southwest Gas.  
7 I concur with Mr. Stursma's comment, and it goes back  
8 to my concern that any fire being reportable would  
9 overwhelm the amount of reporting that we had to do.

10 MS. FORD: Yes?

11 MR. DRAKE: This is Andy Drake with Spectra  
12 Energy. I hear the crux of the discussion, I think  
13 it's very valid, and that is, the rule change will take  
14 it from sort of a conjunction of criteria to  
15 individuals. It's rather than there's not any ands,  
16 it's ors. If it meets any of these following criteria,  
17 this one or that one or this one or that one. Before,  
18 it was together, and I think that separation actually  
19 doesn't make a lot of sense.

20 I mean, if we have a small fire but there's  
21 no significant property damage, it seems logical that  
22 by connecting those two back together again, you're  
23 going to ferret out the trivial issues. So putting an  
24 and between those seems logical. Any big fires that  
25 cause big problems, you're going to flare and dump --

1 you know, you're going to report as an issue, but when  
2 you isolate them as individuals, all of a sudden you  
3 start reporting to the least common denominator in each  
4 category and that's going to explode the number of  
5 reporting that we're going to see. So just a thought.

6 MS. FORD: Jeff?

7 MR. WIESE: Jeff Wiese. I would refer you --  
8 happy to go with the committee's advise on this, but a  
9 couple people asked what would motivate us to even  
10 discuss this. So if you'll allow me to drop back for  
11 two seconds.

12 In the Federal Register itself, I just point  
13 to you that one of our thoughts on this, clearly Andy's  
14 correct, you know, this would provide reporting below  
15 the current thresholds only in the event that you had a  
16 fire or an explosion and you hadn't triggered any of  
17 the other thresholds, right?

18 So it was seeing it as a precursor. There  
19 have been some analysis done within our own Accident  
20 and Incident Database and I quote from the Federal  
21 Register "showed that the risk of death or injury  
22 increased by a magnitude of four to five times if there  
23 was a fire or explosion compared to incidents without a  
24 fire or explosion."

25 Now, you can question whether this is a fair

1 analysis because it's a different dataset, you know.  
2 It's talking about significant events where there's a  
3 fire or explosion involved and now we'd be talking  
4 about less than significant incident as currently  
5 defined.

6 But again, I would just certainly rest with  
7 the committee's advice on this, but I think the intent  
8 was whether to capture it individually, which as I hear  
9 Mr. Stursma's comments, whether to capture it  
10 individually in a federally-filed report as opposed to  
11 gathering that data in the aggregate at some point,  
12 whether through an annual report or some means of  
13 looking at more precursor data, I think that's  
14 fundamentally what underlies this, but, you know, it's  
15 a motion that's before you whether to go there.

16 MS. FORD: Yes, John.

17 MR. GALE: Thank you, Madam Chair. John  
18 Gale. I would like to propose another alternative for  
19 possible consideration because going back, I hate to do  
20 this, going back to Fire First, one of the things we're  
21 going to look at in the coming year is possible change  
22 to the regulations to deal with incidents related to  
23 Fire First and to determine if we should make any  
24 revision to the regulations to limit the number of  
25 reports we get related to Fire First.

1           And tying it with that is that the  
2 alternative would be that we would not adopt this  
3 proposal but that we would relook at it, reconsider it,  
4 based -- tying it with our proposal related to Fire  
5 First and come back with maybe a more thorough proposal  
6 in the future. So not to completely -- the alternative  
7 would be not to adopt it but we're not throwing it out  
8 completely and that we would reconsider it. We would  
9 take in all the comments. We would take in the  
10 information we're receiving at today's meeting and come  
11 back with a more thorough proposal.

12           MS. FORD: John, are you willing to amend  
13 your proposal? Jim?

14           MR. WUNDERLIN: It seems like a reasonable  
15 approach.

16           MS. FORD: Donald?

17           MR. STURMSMA: I don't have a problem with it,  
18 but I don't know if it's necessary for the purposes of  
19 the motion. The vote is to not adopt this particular  
20 phrase in this particular rulemaking which -- so  
21 there's certainly nothing in the motion that would  
22 prohibit PHMSA from proceeding with further review of  
23 the underlying issues.

24           So I think to me the motion is acceptable as  
25 it stands, that it would not preclude you from doing

1 what you just said you'd like to do.

2 MS. FORD: It was Don's proposal -- motion,  
3 rather, and I wanted him to -- Jim?

4 MR. WUNDERLIN: Okay. Is there any other  
5 discussion? I'm going to go with my original proposal,  
6 do not adopt the proposal.

7 MS. FORD: Is there a second?

8 SPEAKER: Yes.

9 MS. FORD: Any further discussion?

10 (No response.)

11 MS. FORD: Are we ready for the vote? All in  
12 favor?

13 (Show of hands.)

14 MS. FORD: Opposed?

15 (Show of hands.)

16 MS. FORD: Well, do we need a --

17 MR. WIESE: I think we have one -- I can't  
18 vote. So we have one in opposition.

19 Madam Chair, with your permission, I would  
20 say I think we've heard enough that we will take that  
21 under advisement from the committee. I think it would  
22 be useful for the committee and certainly some of the  
23 members we talk to frequently enough to talk about the  
24 issue of precursor data.

25 You know, I think we all, all of us in this

1 room, are interested in preventing incidents and making  
2 legitimate differences about individual items, but  
3 there's a valid discussion to be had around the issue  
4 of precursor, leading indicators, also a valid  
5 discussion about how to collect that data, and so I'm  
6 sensitive to Mr. Stursma's comment about whether you do  
7 all these minor events, you've got to fill out a report  
8 for each one of them as you go or you collect that data  
9 in the aggregate so that it can be combined and  
10 understand, you know, the relationship between the  
11 precursor data and potential outcomes.

12           So I appreciate the committee's indulgence on  
13 that and we'll take that under advisement.

14           MR. WUNDERLIN: Thank you.

15           MR. LITTLE: Very good. With that, we're  
16 moving on to the next element for consideration in the  
17 change of the 191 definition and again this applies  
18 only to gas. It doesn't apply to liquid. It's to the  
19 gas definition.

20           This was the proposal to adopt a volumetric  
21 basis. We proposed 3,000 mcf and just a reminder, that  
22 was the median amount based on our calculations that  
23 would avoid skewing for gas, was the only reportable  
24 criteria.

25           Some of the comments were that -- actually, I

1 think the supporting comments were to adopt 20,000 mcf  
2 as the basis of the cost of gas reported in 1984. We  
3 observed that if you normalize that to today's economy,  
4 that would be about a \$10,000 event. So we put 10,000  
5 up as a consideration considering normalizing a 1984  
6 event to today's, you know, equivalent amount.

7           Those are the alternatives that we put up for  
8 consideration and we also add the alternative for  
9 another consideration that this committee might  
10 present, and with that I'll turn it back over for  
11 discussion.

12           MS. FORD: Discussion? Your name, please?

13           MR. DRAKE: This is Andy Drake with Spectra  
14 Energy. I think that there's one concept that got lost  
15 in here somewhere and I know you're probably sensitive  
16 to this already and that is the word "unintentional."

17           You know, gas loss in operational activities  
18 is very commonplace and that is demand event.  
19 Certainly we're not talking about gas loss operational  
20 transactions but that needs to be changed in here. It  
21 doesn't read that way at all.

22           I think, you know, the other thing that we  
23 need to be -- I appreciate that you've given us a menu  
24 to vote on up here. It sort of helps us, guide us to  
25 maybe some solution, but I think that the volume issue

1 of 3,000 is very, very low and I know you're trying to  
2 combine distribution and transmission. I'm not a  
3 distribution person. I can't speak on behalf of  
4 distribution, what's a reasonable quantity, but for  
5 transmission, it's a very, very low number, and I think  
6 you would see a significant increase in number of  
7 reports and I think you'd just be awash in data and I'm  
8 not sure that that would actually help. It would be a  
9 pretty significant reporting burden for things that are  
10 already given to you on the annual report on small  
11 leaks.

12 I don't know that it would help you  
13 differentiate for the purposes of management. If we're  
14 looking for reporting criteria with all kinds of  
15 details and things, I think that there's a threshold of  
16 what is significant that you're really trying to cue in  
17 on and we're looking at those kind of things. I mean  
18 maybe the 10,000 number is reasonable. It's certainly  
19 well above 3,000. I would just offer that amount.

20 My only final comment on gas loss is just  
21 maybe an editorial comment and that is, if we're  
22 cleaning up the cost of gas thing out of this  
23 rulemaking, I would recommend that we take the cost of  
24 gas out of the estimated property damage. We're back  
25 in it again.

1           I mean, we're still double dipping on what is  
2 the price volatility of gas. Just take it out. I  
3 mean, if you want to redefine what is property damage  
4 threshold, then if you want 40,000, fine, put 40 down,  
5 but I don't think you want the volatility of gas still  
6 in that equation because it's still one of the  
7 criteria. So you're still going to flash reports early  
8 on gas pricing.

9           So I think that helps us deal with our  
10 original charge which was to get rid of some of the  
11 volatility induced by the gas price, but those are just  
12 a couple thoughts I thought we should throw out on the  
13 table there to maybe help kind of center some of this  
14 discussion.

15           MS. FORD: Mr. Stursma.

16           MR. STURSMA: Thanks, Mr. Drake. You just  
17 complicated something I was going to ask about. I  
18 noticed that in -- we have this unusual situation where  
19 it's a reporting criteria being considered separately  
20 from the actual incident report forms and data  
21 requested there, and I actually did look at those forms  
22 the other day, I must have been really bored, and I  
23 noticed, at least on the distribution form, it asked  
24 for basically gas loss broken down by gas loss that you  
25 didn't need to lose and gas lost to blowing down the

1 system or whatever.

2 My first thought was I'm not sure you can  
3 really tell the difference, but it also goes to the  
4 question of an intentional versus an intentional  
5 release, and if we're going to have a report that's  
6 based on gas lost and differentiating between  
7 intentional and unintentional gas loss, first, we have  
8 a conflict with the form and, second, I'm not sure how  
9 you always tell the difference.

10 MS. FORD: Mr. Wunderlin.

11 MR. WUNDERLIN: Jim Wunderlin, Southwest Gas.  
12 Interesting comments. You know, I was going to pick  
13 one of the four options, but we've added some  
14 complexity.

15 I'll say this. Andy brought up the comment  
16 about transmission and he was going to leave  
17 distribution to speak for itself. As a distribution  
18 company with transmission, right now we're all under  
19 the same definition of incident and I think my point  
20 will be I don't think we should try and create a  
21 different level of reporting for distribution and  
22 transmission because that really complicates it for all  
23 of us.

24 We have transmission integrated within our  
25 distribution system where one segment of our high-

1 pressure transmission is distribution. Well, we call  
2 it distribution, high-pressure distribution. The wall  
3 thickness changes and it becomes transmission and then  
4 the wall thickness changes and it goes back to  
5 distribution and if we're out in the field trying to  
6 determine should it be 10,000, should it be 20,000, I'm  
7 not sure if I'm transmission or distribution. It will  
8 be complicated to try and report that.

9           So whatever we come up with, I think we  
10 should be consistent and have one reporting method or  
11 definition for both transmission and distribution.

12           MR. MOHN: Jeryl Mohn from Panhandle. First,  
13 a question, if I might, to help understand current  
14 regulation.

15           I know that we don't report natural gas  
16 releases that are "intentional," blowing down a segment  
17 of pipe to prepare for maintenance, etcetera, and I  
18 presume that's not expected or required in the current  
19 regulation. If it is, I've got to back up a lot.

20           MR. WIESE: Would you open that one, Jeryl?  
21 You said you weren't currently reporting those?

22           MR. MOHN: One other question, too, to bail  
23 myself out after that first one.

24           MR. LITTLE: That's correct. We did not  
25 propose adding reporting of maintenance activities that

1 previously had not been reported. That was not the  
2 intent.

3 MR. MOHN: So in that regard, Andy's comment  
4 about intentional versus unintentional is not a  
5 relevant point for the proposed --

6 MR. LITTLE: We were not proposing to add  
7 that to the definition --

8 MR. MOHN: With regard then --

9 MR. LITTLE: -- or changing the instructions  
10 to, you know, require that reporting.

11 MR. MOHN: With regard then to the proposed  
12 quantity and respectfully recognizing Jim's situation  
13 which, as transmission operators, we don't have because  
14 our lines are very well defined in terms of what's  
15 transmission, what's not, I think you need to look at  
16 the genesis of this issue in the INGA Petition which  
17 made an effort to try to establish some level of  
18 consistency from the originally-intended significance  
19 of an incident or the definition of an incidence and  
20 try to ensure some consistency to that, so that when a  
21 reporting event is required, in fact, you will be able  
22 to compare an incident five years from now to an  
23 incident that might have been reported five years ago  
24 and it was the INGA position that to do that, something  
25 more in the range of 20 million cubic feet was the

1 right level.

2 I appreciate you proposed 10. I'm not sure  
3 the basis for 10. If you could help us with that,  
4 maybe we could help to understand which of these  
5 alternatives are appropriate to vote.

6 MR. LITTLE: Thank you for the question, and  
7 I'm happy to have a chance to clarify a little bit more  
8 of the intent of the 3,000 mcf that we proposed.

9 I had mentioned earlier that was the median  
10 amount between distribution and transmission, and you  
11 point out for transmission that's a small amount for  
12 distribution. It is a small amount. So, you know,  
13 basically, the definition goes to both gas distribution  
14 and transmission.

15 We've heard comments that the consideration  
16 is to keep that the same, don't separate the criteria.  
17 So we were trying to basically again sort of look at  
18 any effect of skewing that, you know, putting something  
19 in there might have.

20 The 20,000 mcf, we concur that that would  
21 have been sort of an equivalent 1984 dollar amount for  
22 just reporting gas loss for 50,000. 10,000 in today's  
23 economy and in the spirit of normalizing and what the  
24 petition went to, that skewing happens, you know. If  
25 you're going to normalize back to what 1984, 10,000

1 today would be an equivalent amount that would go to  
2 that normalizing, based on our calculations.

3 It also is a little more in the spirit of  
4 back to the median amount that is significant for a  
5 distribution event, as well.

6 Keep in mind that we do have the other  
7 criteria for consequence, \$50,000 for property damage.  
8 There was some consideration that we should separate,  
9 you know, so we don't double dip. I think Andy Drake  
10 made that point, that we don't want to double count the  
11 gas loss amount. We would take that into  
12 consideration.

13 Hopefully that clarified your question  
14 somewhat.

15 MR. MOHN: Yes.

16 MR. WIESE: If I may, just to add one point  
17 in response to Jeryl's comment. You know, if you look  
18 again at the Federal Register Notice, what we're  
19 talking about -- again, I agree that we were trying to  
20 be responsive to the INGA Petition, but we were also  
21 being responsive to the General Government  
22 Accountability Office. I can't remember that. They  
23 changed their name. It's still GAO anyway you look at  
24 it.

25 But when -- if you look at that, the cost in

1 \$50,000 in 1985 was the cost of gas at 250. So, I  
2 mean, I think we can go back and forth about what's the  
3 right level here. That would be one point to you.

4 And the second point would be that as time  
5 has gone on, you know, if you think about it, well,  
6 this is really a matter just for discussion of the Gas  
7 Committee. I know the Liquid Committee knows that  
8 we've changed reporting thresholds for the liquid  
9 because we thought it was important to get at those  
10 kinds of events at lower levels.

11 So, you know, I am sensitive to your comment.  
12 I just wanted to say what was some of the underlying  
13 motivation for it.

14 MS. FORD: Any other discussion?

15 MR. BUTTERS: Tim Butters, International  
16 Association of Fire Chiefs. Just a question on this  
17 gas loss issue.

18 Is there any time value that's calculated  
19 into that in terms of the loss of that gas over a  
20 period of time or is the basis of instantaneous  
21 release?

22 I guess the other question, and I'm not as  
23 familiar with the regulations, what is the reporting  
24 criteria in terms of when that report needs to be made  
25 to the, I guess, National Response Center?

1           MR. LITTLE: You had a couple points there.  
2 To the question about the gas loss over time, we have  
3 had questions to that effect and we really need to  
4 develop, you know, a formal interpretation. We don't  
5 have one right now and we really should have one, and  
6 it goes to CEBERS, you know, that kind of thing.

7           Right now, you know, basically an operator is  
8 left somewhat to their judgment as to how to report  
9 those events.

10           In terms of the reportability to the NRC, you  
11 report within 24 hours, preferably within two for, you  
12 know, anything that's defined in the telephonic  
13 notification criteria.

14           MR. BUTTERS: Ad one additional question. Do  
15 the regulations speak to notification to the local  
16 public safety answering point or the local emergency  
17 response agency?

18           MR. LITTLE: Not directly. There's  
19 collaboration from our office through various channels  
20 for events that happen and with the states, but the  
21 regulations themselves, I believe, do not currently  
22 require that. It's through to the NRC.

23           Only if for some reason, you know, local  
24 responders were monitoring the NRC reporting in some  
25 fashion on their own or through a state would that be

1 happening as far as I'm aware.

2 MS. FORD: Ready for vote? Do I hear a  
3 motion for volume registry -- sorry. Do we have a  
4 motion for the gas loss criterion? I'm sorry. Mr.  
5 Drake? Mr. Drake?

6 MR. DRAKE: I'd like to make a motion to  
7 clean up a couple things, you know, and then I can do  
8 it all at one time, if you'd prefer.

9 I would make a motion that, one, we add the  
10 word "unintentional releases" to the Introductory  
11 Section under III, which is the Gas Release Quantity.  
12 I would recommend that we remove "gas loss" from the  
13 Estimated Property Value Determination, and I would  
14 recommend that we -- and I'm going to get everybody's  
15 attention here. I would recommend that we propose a  
16 10,000 mcf limit on gas reporting criteria.

17 MS. FORD: Is there a second? Convuluted.

18 MR. WUNDERLIN: Jim Wunderlin, Southwest Gas.  
19 I agree mostly with Andy's recommendation. Andy said  
20 10,000. It's kind of the middle of the road. I think  
21 some of the calculations we've done say that \$50,000  
22 sort of matches up with \$20,000 today. I don't know if  
23 you agree with that or not, but I would -- if we can  
24 change 10,000 to 20,000, I'd be supportive.

25 MR. DRAKE: It's actually an equivalent to

1 16,000, but I don't want to split hairs.

2 MS. FORD: Was that a second?

3 MS. PEARCE: Madam Chairman, I would be  
4 willing to second the motion as it was made.

5 MS. FORD: Discussion?

6 (No response.)

7 MS. FORD: Hearing none, are we ready for the  
8 vote? All in favor?

9 (Show of hands.)

10 MS. FORD: Opposed? Thank you. Motion  
11 carries.

12 Jeff wants to make a procedural comment.

13 MR. WIESE: Again, with your forbearance,  
14 here's what I'm going to suggest. We're going to walk  
15 through these and we're going to get a sense of the  
16 committee on each of these one by one, right? This is  
17 -- and really, the discussion, when we're talking about  
18 a Gas Committee thing, it really should be for the Gas  
19 Committee. Okay. So back and forth, when we get to  
20 the Liquid, vice versa. Okay. So that's just to keep  
21 it clean and according to etiquette.

22 However, I would say to the whole committee,  
23 at the end, remember the committees' job is to help  
24 advise us on -- I forget all the criteria but it's  
25 reasonable, practicable and all the other criteria.

1 You understand we've been through this vote a number of  
2 times.

3           So I just wanted to give you the opportunity  
4 to say that at some point we also want to turn to the  
5 public for comment. It'd be my preference and I would  
6 ask for your indulgence that we go through these  
7 things, you know, in a reasonable clip, get a sense  
8 from the committee on these, and at the end we may well  
9 be in a position to say as recommended by the committee  
10 in each of these individual things, we can have a vote  
11 on the package as a whole and we can also take, you  
12 know, public comment.

13           Does that seem reasonable to you as the  
14 committee members?

15           MS. FORD: Consensus?

16           MR. WIESE: Okay. Otherwise, I was afraid it  
17 would get too confusing.

18           MS. FORD: I'm sorry. Mr. Drake?

19           MR. DRAKE: This is Andy Drake, Spectra  
20 Energy. To address the comment that was made earlier  
21 about rate of flow, that is actually a very prudent  
22 comment. It's something that we actually mentioned in  
23 the meeting a year ago when we talked about this and I  
24 think it would be clarifying if, you know, to get rid  
25 of when we dig up a leak, how long has it been leaking?

1 I have honestly no real idea.

2 We all know that. So now there's this game  
3 of chicken about when's enough's enough. I think it  
4 would be helpful if we at least gave criteria, some  
5 guidance and said 10,000 -- you know, whatever this  
6 number we just picked, sorry, 10,000 in a day. The  
7 rest is really minutia. I mean, you're really looking  
8 for significant events.

9 If you put that as a day, you're capturing  
10 99.9 percent of the issues of pertinence and it takes  
11 the issue of ambiguity off the deck about trivial small  
12 leaks that might have been there for a long time and it  
13 helps us all at least flange up on a common criteria  
14 and so I just offer that up for a little bit of  
15 consideration.

16 I see a lot of people nodding their head yes  
17 because it's just a little bit of a game of chicken  
18 here. We don't really know how long some of these  
19 littler things have been leaking, but we don't want to  
20 cause a credibility problem between us and the public  
21 that we're hiding something. We're not trying to hide  
22 something. We're trying to make a reasonable  
23 determination.

24 I think a little bit of help there would go a  
25 very long way. So we set the threshold down a little

1 bit, but I think if you can help us on rate, that would  
2 help meet in the middle of the field, so to speak, and  
3 help resolve a little bit of anxiety, you know, a  
4 little bit of ambiguity in this thing.

5 MR. LITTLE: We appreciate the comment.  
6 We'll certainly take that under consideration. As I  
7 mentioned, it's something we have been asked to  
8 consider in the past. So appreciate the feedback.

9 MS. FORD: Thank you.

10 MR. LITTLE: With that, on to the next item.  
11 We mentioned we got comments about \$50,000 as the  
12 criterion being too low. We actually in this  
13 rulemaking did not propose changing that criteria.  
14 Currently, since we haven't proposed it, we didn't get  
15 broad comment on it. It's something we might consider,  
16 you know, as we're looking at some other things later  
17 on, but in the scope of this rulemaking, it's outside  
18 of the scope. So we're not asking for a vote on that.

19 With that, I would say is there any  
20 consideration for further discussion you'd like to have  
21 before I move on to the next criteria that we will vote  
22 on?

23 MS. FORD: Mr. Stursma?

24 MR. STURSMAS: The only thing I would suggest  
25 when you talk, look at the 50,000, because we had a

1 leak once in Iowa in one of our pipelines where they  
2 thought it would be a simple fix. By the time they got  
3 a contractor in there, got to working on it, found out  
4 it was not a simple fix, did exceed the cost of \$50,000  
5 to repair this leak, but it was like, you know, couple  
6 weeks later before they figured out what their cost  
7 was.

8           So if we're looking at some of the time frame  
9 issues, we have time frame on how long has the leak  
10 been there, if you're looking at reporting on some of  
11 these things, maybe it should at least consider  
12 situations like that where it may take some time before  
13 you know how much cost you've actually incurred and  
14 this two to 24-hour for an NRC report, you know, you  
15 really don't expect.

16           The reason I mention this is I see a lot of  
17 reports going to NRC just because it's two hours.  
18 Well, it's possible this could be reportable, so I'm  
19 going to bombard NRC with reports that turn out not to  
20 be really reportable incidents.

21           So to the extent you can consider any of that  
22 as you look at the damage figures, I'd appreciate it.

23           MS. FORD: Thank you.

24           MR. LITTLE: Thank you for your comment. Any  
25 other comment about the \$50,000 criteria before we move

1 on?

2 (No response.)

3 MR. LITTLE: The next element -- I'm sorry.

4 MR. BUTTERS: Tim Butters again. The only  
5 question I have is in looking at this, is this \$50,000  
6 damage or is it cost because what I was hearing the  
7 gentlemen say is they calculate the cost of contractor  
8 to repair, you know, anything associated with that  
9 event.

10 I guess I was looking at it in terms of does  
11 it cost 50,000 in damage to whatever.

12 MR. LITTLE: In the instructions, we give  
13 some guidance and we ask for including the cost of the  
14 repair, the cost to the public, the cost to the  
15 operator, the cost of gas loss. We had a  
16 recommendation, I think, in the motion that carried to  
17 consider separating the gas loss out of that component,  
18 but all of those other criteria are things that are  
19 guidance for including in the cost of the \$50,000.

20 Very good. So on to 1E, the issue that was  
21 raised in the comments that we should also add to the  
22 definition a change in the word for an event that  
23 involved in the current wording in the definition to  
24 adopt the similar wording that is in the Hazardous  
25 Liquid that goes to an event that caused, and any

1 discussion, further discussion you'd like to have  
2 before we go to a vote on the alternatives to adopt  
3 this as proposed, eliminate, or some other  
4 consideration?

5 MS. FORD: Mr. Stursma?

6 MR. STURSMA: I know it's me again. I'm  
7 sorry. You know, a couple of these categories are --  
8 they're similar. They're just divided up a little bit  
9 differently.

10 I'm just wondering if you've looked at  
11 whether you'll be able to devise a way that has some  
12 continuity of data across this break so, you know,  
13 similar things are still being reported but can you  
14 cross the gap or all of a sudden we're starting an  
15 entirely new, you know, data regime?

16 MR. LITTLE: Well, certainly, you know, a  
17 large part of the objective of what we're trying to do  
18 here is to that. So we'll certainly, you know, take  
19 that into consideration and certainly wherever we end  
20 up going with this, we'll carefully identify what we  
21 did take into consideration for how we, you know, move  
22 forward with whatever the recommendation is.

23 Any other points of discussion before we go  
24 to a vote on this?

25 MR. WIESE: Let me ask you to go back, if you

1 will, please.

2 MR. LITTLE: Okay. Well, apologies. This is  
3 all again to the change in the definition of the Gas  
4 Incident. So, actually, this is, I think, the final  
5 one before we move on to another topic. This is Gas  
6 only. It's a change to the Gas definition.

7 MR. DRAKE: We're confused about specifically  
8 what language changes you're making.

9 MR. LITTLE: Okay. In the Regulation 191.3  
10 in the Definitions, the existing language, and I might  
11 need to pull my bifocals out here, let's see, gas means  
12 natural -- I'm sorry. In Part 1, it's an event that  
13 involves a release of gas from a pipeline or a  
14 liquefied natural gas or gas from an LNG facility, and  
15 then the other criteria are deaths, injuries, property  
16 damage, the other. It's the lead-in section to that  
17 where we have the term "an event that involves."

18 We would be changing that to an event that  
19 caused any of the following which mirrors the liquid  
20 segue for the other criteria that are virtually  
21 identical. This gets again into the comment that the  
22 person made.

23 The confusion over this goes to broadly Fire  
24 First, so back to one of John's earlier comments.  
25 Currently, an interpretation of this event that

1 involves a fire is an event, you know, that is in a  
2 house that later on affects a gas meter is an event  
3 that involves. So, you know, it's sort of a segue into  
4 that whole Fire First issue, as well, and I think it  
5 was in that spirit that the comment was made.

6 We thought that we've had enough comments  
7 about this and the difference between the two. There  
8 have been other recommendations on informal basis to  
9 consider making that change, that we thought it was a  
10 significant enough recommendation that we wanted you  
11 all to consider that and give us some guidance about  
12 it.

13 Does that help clarify that? And again, it's  
14 to the Gas definition. So it's for the Gas people only  
15 and it would be, you know, in a result of in our  
16 changing the definition to add the normalization factor  
17 for a volume. We would make this change at the same  
18 time to that definition.

19 MS. FORD: Is there a motion? Mr. Wunderlin?

20 MR. WUNDERLIN: Jim Wunderlin. I'll make a  
21 motion to adopt as proposed which means that the  
22 definition will be amended to read incident means an  
23 event that causes any of the following.

24 MS. FORD: Is there a second?

25 SPEAKER: Second.

1 MS. FORD: Discussion?

2 (No response.)

3 MS. FORD: All in favor?

4 (Show of hands.)

5 MS. FORD: Opposed? Motion carries. Thank  
6 you. John.

7 MR. LITTLE: Thank you. With that, we've  
8 cleared the proposed changes in the definition of gas  
9 event. Thank you very much.

10 The next element for the One Rule is -- yes,  
11 this one would affect both committees. This is the  
12 Electronic Submission of Data. We would require  
13 operators to report and file data electronically  
14 whenever possible.

15 The electronic submission of data helps us  
16 increase accuracy and quality of data and it goes to  
17 our objectives as being a data-driven organization.

18 Also, electronic submission noticeably helps  
19 reduce the reporting burden on operators. As an  
20 example of that, we, with the incident forms, we've had  
21 several discussions on the proposed electronic  
22 navigation of that form. The form has expanded quite a  
23 bit, but with very careful rules for navigation, based  
24 on the circumstances of an event, you're only filling  
25 out certain sections of that form and, you know, as

1 opposed to wading through a 20-page incident event, you  
2 can narrow that down to four pages under certain  
3 circumstances very quickly and concisely guide you to  
4 what needs to be filled out as opposed to having to try  
5 to figure out through the 20-page form which sections  
6 you need to fill or not.

7 I think generally people understand benefits  
8 of electronic reporting. Certainly consider some of  
9 the comments that we got on that topic. There were  
10 some comments that non-electronic reporting is a  
11 burdensome process, so, basically, generally favorable  
12 comments for that proposal.

13 There were, you know, some concern, I'll  
14 mention also, that some very small companies may not be  
15 able to report electronically. They may not have  
16 Internet connections.

17 In the Notice of Proposed Rulemaking, we  
18 discussed that small business considerations, you know,  
19 would apply and that any companies that had problems  
20 could identify themselves to us and we would, you know,  
21 work with the companies and if we needed some kind of  
22 waiver process, we would take that into consideration.

23 We believe this industry is generally large  
24 enough that we believe we won't have that issue, but,  
25 you know, certainly we would take it under

1 consideration.

2           Some of the alternatives that we're  
3 considering is basically to, you know, approve the  
4 process as an uncomplicated and unburdening as possible  
5 and that we would clearly state this process in the  
6 preamble of the rulemaking on publicly-available  
7 information.

8           MS. FORD: Discussion? I'm sorry. Yes?

9           MR. COMSTOCK: Mike Comstock, American Public  
10 Gas Association. Just to respond a little bit to the  
11 comments made by Mr. Little.

12           APGA is in support of electronic submission  
13 of data, but just so that the committee knows, the  
14 membership that we represent, there are over 700 public  
15 gas systems in the United States, some of which are as  
16 small as one operating personnel and less than 50  
17 meters in the system. So they may not have Internet  
18 access at their place of work. However, one or two  
19 times a year they should be able to find some place to  
20 get on the Internet to be able to do this. I just  
21 wanted the committee to know that there are still  
22 places that may not have direct Internet access in  
23 their work area.

24           Thank you.

25           MS. FORD: Robert.

1           MR. PEVARSKI: Rick Pevarski. A comment on  
2 the Internet access, a very good solution, because I  
3 deal with that one in my membership, is to provide an  
4 IVR, Integrated Voice Response, so somebody can get on  
5 the telephone and be able to respond and you still  
6 capture the same data and it's still immediate.

7           MS. FORD: Thank you. Any other comments?  
8 Yes?

9           MR. KUPREWICZ: Rick Kuprewicz with the  
10 Public, and I always have to tell my Microsoft  
11 millionaire neighbors all the time in Redmond, and you  
12 may already have this, so I apologize if it repeats it,  
13 but before you send electronically, there better be an  
14 option that allows Print Review. I'd just advise you  
15 because once you send electronically, it's forever, and  
16 the eye just doesn't always see things on an electronic  
17 screen that it sees on a printed paper. So I would  
18 just recommend -- you may already have this, but if you  
19 don't, you want to incorporate it. It's an excellent  
20 idea in terms of electronic.

21           MR. LITTLE: Rick, just while you're making  
22 that comment, we had that comment from several people  
23 and moving on the electronic incident reporting and I  
24 assure you we'll have it for all circumstances. We  
25 already do now with the new system we're deploying.

1           MR. WIESE: In addition, as all the operators  
2 will understand, there's the opportunity constantly for  
3 operators to update and provide a supplemental. So  
4 should they at any point, you know, see an error in  
5 there, they're encouraged, actively encouraged to file  
6 a supplemental report, and it'll replace that original  
7 one.

8           MS. FORD: Mr. Stursma?

9           MR. STURSMA: Yeah. I know it's me again.  
10 I'll probably say this a lot today. But this  
11 reporting, this 60 days if you want to file a written  
12 report rather than electronic report, you need to file  
13 something in writing and it takes 60 days. Well, some  
14 reports, like incident reports, are due in 30 days.

15           I had a conversation with Mr. Gale earlier.  
16 I've done some consideration and some work around  
17 things like that and I guess I would ask to be sure to  
18 share those comments with the entire group.

19           DR. FEIGEL: This isn't a comment, just a  
20 question for my education, I guess.

21           What underlying format are these electronic  
22 reports in?

23           MR. LITTLE: We use standard web-based  
24 application development, HTML, Java. We're typically  
25 an Oracle Shop. It's somewhat transparent to the end

1 user. We are anticipating providing an interface for  
2 companies that have their own reporting scheme to be  
3 able to upload to our facility, as well, and an  
4 alternative to having to go right through our  
5 electronic interface to do the reporting.

6 For the forms that we're launching, we're not  
7 going to have that facility in the initial release, but  
8 we're going to have it soon after that. So but, you  
9 know, very much we're standard, you know, best in  
10 practice type of application development for web  
11 applications and we follow generally the Department of  
12 Transportation guidelines and requirements for  
13 electronic reporting requirements, as well.

14 MR. GALE: Thank you, Madam Chair. To reply  
15 to Mr. Stursma's earlier comment regarding the approval  
16 process for those persons that don't have the  
17 capability of submitting forms electronically, we're  
18 going to state as clearly as possible in the rulemaking  
19 and in the regulatory text that we're going to make  
20 this process as simple as possible.

21 We're going to not make it every time you  
22 have to submit a form application process. It's going  
23 to be a one-time application process. It may have an  
24 effective date or an expiration date of a couple years,  
25 but it's not going to be something that we're going to

1 mandate that these operators have to do every 30, 40,  
2 or 45 days. We're going to try to make this as simple  
3 as possible. We're going to try to articulate it as  
4 clearly as possible, and one of the things we also want  
5 to state will be if something occurs where they have to  
6 submit an incident form and they haven't received that  
7 approval yet, to please still submit that information  
8 and that we will work on after that information comes  
9 in, on getting their appropriate approvals after the  
10 fact.

11           But we're not in the business of not taking  
12 these incident reports just because they haven't done  
13 the proper paperwork.

14           MR. LITTLE: And another point I'd like to  
15 make, you know, currently for the required reporting we  
16 have, the hazardous liquid industry generally are  
17 already there. They're 95 percent more already doing  
18 this. On the gas side, gas distribution companies are  
19 40 percent doing electronic reporting. The  
20 transmission companies are about 65 percent.

21           So most companies are already there. So, you  
22 know, increasingly so every year. Eventually, we will  
23 be there anyway. So we hope to take the plunge and  
24 sort of help nudge along, you know, for whatever reason  
25 and part of that, we had been mailing out forms and

1 instructions, reminding people to file annual reports  
2 up until a couple of years ago, although we started  
3 offering electronic reporting in 2002. We decided that  
4 it would be a good idea not to give them a hard copy,  
5 make them ask for one if they needed it, and the  
6 numbers virtually doubled simply by not having a hard  
7 copy in their hand.

8           Some of those companies are probably filing  
9 just because we were mailing them a hard copy. So,  
10 anyway, for what it's worth, you know, we again believe  
11 this is certainly a very little burden. We don't  
12 believe it's a burden. We believe it's actually  
13 decreasing a burden element.

14           MS. FORD: Thank you.

15           MR. LITTLE: Any other discussion before we  
16 move to a vote?

17           MS. PARKER: This is Lisa Parker. I will  
18 move to adopt the electronic submission requirements.

19           MS. FORD: Second? All in favor?

20           (Show of hands.)

21           MS. FORD: Opposed? Approved. Okay. Thank  
22 you. It was unanimous. Thank you.

23           MR. LITTLE: Thank you very much. The next  
24 item for consideration is LNG Reports.

25           In the Notice of Proposed Rulemaking, I

1 mentioned that we were addressing a data gap. We  
2 proposed to require operators of LNG facilities to  
3 submit incident and annual reports. The data is needed  
4 to provide valuable infrastructure information to our  
5 office and it also would help allow for a more thorough  
6 evaluation of the safety performance of LNG facilities.

7           Some of the comments -- there was some  
8 discussion that we need a break shortly. I'm probably  
9 halfway through these issues and we've got some of the  
10 juicier ones left. So I think we're going to, you  
11 know, have some lively discussion, but for point of  
12 order until the chair lady is back, the chair person is  
13 back, I'll clip on through and hopefully we'll get to a  
14 break here very shortly.

15           As I, you know, was saying, LNG Reports. In  
16 the comments, there was a question about the need for  
17 the reports and that went to the fact that there are so  
18 few of these facilities. We generally know where they  
19 are. If you have an event, you're going to know about  
20 it.

21           Those are somewhat the reasons that there was  
22 an exemption for that reporting, but on the other hand,  
23 because there are so few facilities and if you have an  
24 event, it's going to be rare. It sort of seems like an  
25 easy thing to go ahead and get the reporting and then

1 as new facilities are built and this sort of thing,  
2 we'll have a better understanding of that. As things  
3 change over time, LNGs becoming increasingly important  
4 and the exemption, just looking backwards, didn't look  
5 like a good idea to us. So we're trying to close that  
6 gap.

7           To make it easy for the facilities that there  
8 are out there, once you filed an annual report, you can  
9 -- there will be a check box and we're proposing this  
10 on all of the annual reports. If nothing changes, you  
11 click that box and you're done for the next year  
12 submission. So in a lot of cases, you do it once and  
13 then it's a trivial acknowledgement that you haven't  
14 changed your facility.

15           I already mentioned we're expecting very few  
16 incidents. So we think the burden associated with this  
17 would be very minimal.

18           There was a comment that rollovers and  
19 emergency shutdowns could be, should be considered as  
20 incidents and that's an element that certainly we're  
21 hoping to have some discussion on and feedback. We  
22 thought that generally it made a good idea, made sense  
23 to add that.

24           Should we pause for a break before we go into  
25 the alternatives?

1           MR. WIESE: No. I can fill the dead air time  
2 here. So if you'll allow me, I just want to underscore  
3 we have long viewed this particular issue as a whole in  
4 our regulatory code. I think we have demonstrated our  
5 interest in providing fact-based data-driven risk-based  
6 answers to the public as well as others.

7           I would make the case to the committee that  
8 it's -- first of all, I personally believe that we  
9 won't have a lot of these. I don't believe there's a  
10 lot, but we're not in a position to say that since most  
11 of these things aren't required to be reported.

12           We get safety-related condition reports and  
13 that's about it. I think it's implausible for us to  
14 make a case to support LNG and further development of  
15 LNG without having a stronger foundation upon which to  
16 calculate the risk of those operations. So with that,  
17 I would say that it's really our underlying motivation  
18 for that.

19           So as I told you, I'm very talented with the  
20 idea of filling air space and so in recognition of the  
21 chairman's arrival, I guess I would defer to the  
22 chairman for wrap-up on this particular point and then  
23 just as using my prerogative as executive director,  
24 maybe we'll want to excuse people temporarily at the  
25 end of this one.

1 MS. FORD: Thank you. Are we ready to call  
2 for the vote?

3 MR. WIESE: I think we're ready for the vote.

4 MS. FORD: Do we have a motion and a second?  
5 Any discussion?

6 MR. WUNDERLIN: I've got some discussion on  
7 this. Yeah. Jim Wunderlin, Southwest Gas. I'll say a  
8 couple things.

9 Need for reports, and I appreciate that PHMSA  
10 would like to collect data on LNG plants. We do own an  
11 LNG plant and right now we file, just so that the  
12 committee knows, we file very comprehensive semiannual  
13 reports to FERC right now, extremely comprehensive. We  
14 talk about rollovers. We talk about emergency  
15 shutdowns. We talk about corrosion. We get down in  
16 the detail of failed solenoids, anything that's out of  
17 the ordinary-type of thing. Those reports exist out  
18 there. We file them twice a year with FERC.

19 I would like the PHMSA to consider, you know,  
20 the information is there and asking us to do another  
21 round of reports for PHMSA, I'm not sure it's  
22 necessary. You may want to review those FERC reports  
23 just to see if everything's in there that you're  
24 looking for, but I think they are very comprehensive  
25 and we already file those.

1 I'm not opposed to, say, resubmitting those  
2 same reports to PHMSA, if that would satisfy your  
3 needs. I think that would be fairly easy for us to do.

4 The other thing I'd like to talk about, one  
5 thing we may have missed back in the definitions, I  
6 think, of incident was there was something in there  
7 about emergency shutdowns for LNGs. I don't think we  
8 discussed that, and I'd just like to clarify that we  
9 make sure that an incident where it's reportable to  
10 PHMSA would be where it's a real emergency, you know,  
11 that is significant.

12 We didn't discuss that. So I just would like  
13 to put that on the record that somebody just hasn't  
14 bumped the emergency shutdown button and now it becomes  
15 reportable, that those are really truly crisis safety-  
16 related emergencies that would be reportable.

17 I think that goes to the rollovers and  
18 emergency shutdowns as incident point up here, also, is  
19 that when we talk about situations at LNG plants, that  
20 they're truly significant events that you want  
21 reported.

22 MR. MOHN: Jeryl Mohn from Panhandle. We,  
23 too, are an operator of an LNG facility regulated by  
24 FERC and as Jim said, those semiannual reports are very  
25 comprehensive.

1           To the extent that PHMSA believes that it's  
2 necessary to make a report, I'd urge a consideration of  
3 some criteria that's more than just an emergency  
4 shutdown because a successful emergency shutdown does  
5 not necessarily mean that the cause of that shutdown  
6 was any stress, if you will, to the operation.

7           INGA comments have suggested some additional  
8 criteria to be used, so that mere activation of  
9 emergency shutdown systems in and of itself is not a  
10 criteria that prompts a report.

11           But I, too, agree with Jim that the FERC  
12 reporting is comprehensive. You can certainly look at  
13 that and look at the nature and type of things that  
14 we've reported and perhaps even modify your criteria  
15 accordingly, but if something stays, it should be more  
16 than just an emergency shutdown.

17           MR. WIESE: Let me ask you a question. So in  
18 all honesty, I'm asking for your advice here.

19           Since you both operate LNG facilities, to  
20 what extent do the FERC report -- and out of my own  
21 ignorance, to what extent do the causality and  
22 criterion in the FERC reports sort of line up with the  
23 causality in the gas reports here?

24           So, I mean, are they -- you understand gas  
25 reporting, both of you. So I would just say do you

1 think that the FERC reports cover all these in  
2 fundamentally the same way?

3 MR. WUNDERLIN: You know, without sitting  
4 down side by side, I would say that generally they do.  
5 This is Jim Wunderlin.

6 MR. MOHN: Jeryl Mohn. I agree with Jim.  
7 They focus on abnormal operations, deviations from  
8 normal. They require that we report any modification  
9 to a safety system and a number of other things like  
10 that that are alterations to the facility that  
11 operators make that may have an impact on overall  
12 operation of the facility or the functionality of  
13 safety systems.

14 MR. WIESE: Thank you.

15 MS. FORD: Any other discussion?

16 DR. FEIGEL: I would make a stronger  
17 statement, I think. I would really urge PHMSA to look  
18 at these FERC reports in two respects. One is that  
19 there's a potential for reducing the regulatory burden  
20 of dual filing in different formats that could meet  
21 your needs and even if they don't entirely, that might  
22 be taken care of by a simple addenda rather than a  
23 total reformat and there's another side, potentially  
24 salutary effect, too, and that is to have a commonality  
25 of information across regulatory agencies.

1           They have different charges, but, you know,  
2 at the end of the day, the regulated have to deal with  
3 both these and to be able to have a commonality of  
4 information could be good not only for the regulated  
5 but for pairs of regulators where there's intersections  
6 of your duties sometimes in the future.

7           MS. PARKER: Lisa Parker. In my community we  
8 have an LNG facility that's operated safely for the  
9 last 40 years. I agree with the gentlemen that if the  
10 information's already getting submitted to FERC, let's  
11 not duplicate that so that we can make sure that we're  
12 putting the emphasis back on keeping the facilities  
13 operating safely.

14           But I also know from the public standpoint  
15 that there are a couple of companies that have tried to  
16 put in LNG terminals in the United States that have had  
17 difficulties because the people in the communities are  
18 scared and they're scared about what the facilities are  
19 going to do.

20           So if this is going to help take care of some  
21 of the public concerns to let them show that the  
22 facilities are safe that are operating, then move  
23 forward, but let's not reinvent or just modify a little  
24 bit because we want to put our own little special touch  
25 on it. Let's make sure that we have some consistency

1 as we move forward.

2 MS. FORD: Thank you.

3 MR. MOHN: Madam Chairman, one more point. I  
4 leaned over to my friend Ted Lemoff here and he's going  
5 back and checking. I'm not sure, and, Jim, you may  
6 know the answer to this. This is Jeryl Mohn, by the  
7 way, as to whether or not all LNG facilities across the  
8 country are in fact FERC-regulated, if some of the peak  
9 shaving facilities are subject to just state  
10 regulation, and so that I don't know if Jim or Ted got  
11 clarification of that, but at least something for  
12 consideration, I think we both speak from facilities  
13 that are FERC jurisdictional.

14 MS. FORD: Thank you. Yes, Ted.

15 DR. LEMOFF: Ted Lemoff, NFPA. I spoke to  
16 one of the members of our Liquefied Natural Gas  
17 Committee in the audience. He advises me here are a  
18 significant number, without me pulling a number out of  
19 the air, of these peat shaving plants which do not come  
20 under FERC regulations, just as a matter of fact.

21 MS. FORD: Thank you. Yes?

22 MR. KUPREWICZ: Rick Kuprewicz, the Public.  
23 I guess I have a question that kind of relates to this  
24 issue.

25 Under federal law, 49 CFR 193, which federal

1 agency is chartered with enforcement of 193? I believe  
2 it's PHMSA, not FERC. You guys need to get together.  
3 I don't want to duplicate effort, but from enforcement  
4 in the public's perspective, it's PHMSA, not  
5 disrespecting FERC, but that's the way the rules are  
6 written.

7 MR. WIESE: If I may, I would certainly  
8 invite comment from others who are regulated by both.  
9 I would say clearly we have authority. I don't think  
10 that's an issue. However, FERC, as a condition of the  
11 certificate that they award to the individual operator,  
12 have a range of conditions, of course, that they  
13 inspect and whether those all fall purely in the domain  
14 of FERC I can't comment on.

15 The peak shaving, correct me if I'm wrong,  
16 Roger, last time I knew, there were somewhere on the  
17 order of about a hundred peak shaving -- 114. There is  
18 -- I certainly will, and I think as a group, we'll take  
19 under advisement the notion of comparing what's already  
20 reported, that's a very fair comment, and I think that  
21 was offered in the comments on this rulemaking, and I  
22 would, really in response to Rick's question, say where  
23 there's a delta and we believe that it's an important  
24 delta, I think that that would be what we would be  
25 proceeding forward with.

1            Obviously if we can get the data in another  
2 source, we're sympathetic to the fact that you  
3 shouldn't have to report it, although I would say if  
4 you already had it, you know, the additional burden is  
5 just a reporting burden. It's not a collection burden.  
6 It's just a reporting burden. But yes, I think it's  
7 clear that the infrastructure information which is used  
8 for the purposes of user fee, you know, assessments in  
9 LNG facilities pay user fees, I think would be useful.

10            So we really have been debating the incident  
11 data and just making clear. Okay. Great.

12            MS. FORD: Thank you. Any other discussion?

13            (No response.)

14            MS. FORD: All in favor? I'm sorry.

15            MR. WIESE: Trying to get your --

16            MS. FORD: Is there a motion on the floor?  
17 Is there a motion?

18            MR. WUNDERLIN: This is Jim Wunderlin. I'm  
19 not sure exactly what we're voting on, except I'll make  
20 a motion that we accept some form of LNG report to  
21 PHMSA, that PHMSA go back and review the current  
22 reporting that's submitted by FERC and see if the data  
23 is similar where we don't have to duplicate or come up  
24 with different data or whatever, but they can evaluate  
25 that, and also I would like to make sure that in the

1 rule language, that we talk about an actual emergency  
2 on LNG plant or LNG facility that results in an  
3 unplanned shutdown. So if I could have that in a  
4 motion.

5 MS. FORD: Is there a second?

6 MR. MOHN: Jeryl Mohn. I'll second.

7 MS. FORD: Discussion?

8 (No response.)

9 MS. FORD: All in favor?

10 (Show of hands.)

11 MS. FORD: Opposed? Thank you. Motion  
12 carries.

13 I think we can take a break now.

14 MR. MOHN: Madam Chairman, could I make just  
15 one brief comment, Jeryl Mohn, to Rick's comment down  
16 the line here? I need to say although FERC is an  
17 active enforcer of regulations on LNG facilities, we  
18 see in our facility PHMSA more times than once a year,  
19 so not to imply here that somehow PHMSA is on the  
20 sideline without pretty active enforcement of their  
21 regulation.

22 MR. KUPREWICZ: I kind of think I already  
23 knew the answer, but I wanted to have PHMSA reinforce  
24 it, but thank you.

25 MR. WIESE: 15 minutes.

1 MS. FORD: 15-minute break.

2 (Recess.)

3 MS. FORD: The Technical Pipeline Committee  
4 and the Hazardous Safety Pipeline Committee is  
5 reconvened.

6 Jeff has a comment to make on how we can  
7 carry the meeting along, accelerate it.

8 MR. WIESE: All right. This is the tough  
9 part of the meeting, you know, the voting on the  
10 sections. I just want to reiterate something and then  
11 either, I don't know if John or Roger want to review  
12 the proposal we have for moving this along.

13 I actually didn't think it would take us this  
14 long, but that said, I want to just reiterate to folks  
15 that we're going through these one at a time. We are  
16 going to come back and ask for separate votes from the  
17 Liquid Committee and from the Gas Committee on the  
18 relevant provisions, so just keep that in mind. We  
19 won't be asking Liquid to vote on Gas and vice versa.

20 The second thing I'd like to say to you is  
21 that in our -- I don't know if you -- John, do you want  
22 to cover that, your suggestion, or would you like me  
23 to?

24 MR. GALE: John Gale again. To move the  
25 meeting along, what we're going to concentrate on are

1 just two remaining issues regarding the One Rule. One  
2 is the operator ID and the other one is the By State  
3 Reporting.

4           However, if there's -- and why we decided not  
5 to address some of the other issues is because the  
6 comments were generally supportive. They were more  
7 minor issues, what we would consider fairly minor  
8 proposals, but if there's anything in some of the other  
9 proposals that we have not raised that we will open up  
10 the floor for any discussion of those issues so that  
11 everyone will have an opportunity to raise any issue,  
12 any of the specific proposals in the One Rule that were  
13 not directly addressed in the main discussion.

14           So at the end, we will leave it open for kind  
15 of an open floor discussion of the proposals in the One  
16 Rule.

17           MS. FORD: Thank you, John.

18           MR. PIERSON: Madam Chairman, excuse me.  
19 I've got a quick question.

20           MS. FORD: Yes.

21           MR. PIERSON: Craig Pierson, Liquids  
22 Industry. I'm not sure if I understand the voting at  
23 the end. We've been taking these votes and I don't  
24 have a good picture of what you're saying, Jeff.

25           MR. WIESE: Just for clarification, there's

1 a procedural requirement that the committee vote and  
2 there's actually prescribed language that said as  
3 proposed or as proposed with, you know, the amendments  
4 that we've been talking about. We're not trying to  
5 change the deal at the end. It's a procedural matter  
6 that said the committee votes and gives us their  
7 recommendation on how to proceed, either don't adopt,  
8 adopt as proposed or really adopt with the amendments  
9 as recommended by the advisory committee.

10 All I'm saying is that procedurally we can't  
11 ask you to vote on LNG issues and we can't ask them to  
12 vote on the Liquid issues. That's all I'm saying. So  
13 we have to take two separate votes for the package as a  
14 whole. Does that make sense? Okay.

15 MS. FORD: Roger?

16 MR. LITTLE: Very good. As John said, we're  
17 going to focus on the remaining areas for which there  
18 was the most expressed concern. I'm going to cover the  
19 OPID Registry first. This applies to both Gas and  
20 Liquid. The OPID is something that all companies that  
21 are regulated generally, you know, have.

22 We've got inconsistencies in the way that  
23 those things are reported to us during certain events  
24 as we articulated in the NPRM, mergers, acquisitions,  
25 filings of reports when accidents occur. We have sort

1 of a discovery, you know, phase for when OPIDs come in.

2

3 We proposed in the NPRM that we would create  
4 a national registry that would, you know, require  
5 companies to give us advance notification of certain  
6 timely updates as they occur for significant events  
7 that change assets that are under a company's  
8 management for which we would need some notification.

9 In the comments, there was especially a lot  
10 of concern about a statement that had an unintended  
11 consequence in the NPRM that basically said that  
12 operators would need to reapply. Basically, the intent  
13 there is to validate your OPIDs once through the formal  
14 system when we have it in place.

15 We're not proposing that you need brand-new  
16 OPIDs under any circumstance. So, you know, generally,  
17 a lot of companies work with us very proactively in  
18 managing the OPIDs now. We're not proposing wholesale  
19 changes in anything.

20 Essentially, what this will do is the things  
21 that -- for the OPID request system that we have online  
22 now, you'll come into that and if it's approved, you'll  
23 go through and validate your OPIDs when you have a  
24 merger and so forth.

25 Some of the other concerns about the

1 opportunity to comment on that questionnaire itself.  
2 We got an existing form that companies use for OPIDs.  
3 We did not post that in the docket. We should have.  
4 We're going to allow a comment period on that form.  
5 It's an OPID questionnaire that we'll be posting  
6 through a supplementary comment posting.

7 MR. GALE: Just to clarify for that, if we go  
8 forward with the final rule for the One Rule, the idea  
9 here was that we would actually publish the  
10 questionnaire as a supplemental information collection  
11 process, along with the final rule.

12 You'll see that we did something very similar  
13 to that with the DIMP Rule, where we did a change to  
14 the annual report. So that's how we would handle it to  
15 make sure that you all have an opportunity to comment  
16 on the OPID Registry Form.

17 MR. LITTLE: Really, the most significant  
18 concern expressed was, and I think unanimously from the  
19 commenters, an objection to filing something 60 days in  
20 advance of an event happening.

21 There were considerations for generally the  
22 elements that we have proposed to require that  
23 notification 60 days after the event. That seemed to  
24 be generally more conducive to the commenters'  
25 perspective, and generally we believe that that makes

1 some sense and we understand the nature of that  
2 comment, but for one element that we proposed in the  
3 registry and that is, new construction, for new  
4 construction proposals after the event doesn't get to  
5 our core business need. So that was something that  
6 we're considering, maybe peeling that off as a separate  
7 reporting element outside of the OPID Registry and have  
8 that 60 days in advance as the one element that we  
9 thought did make sense to retain that.

10           There was a comment, some comments that the  
11 annual report might suffice as this notification. The  
12 problem with the annual report is it's once a year and  
13 one of the things that we have is sort of it's a burden  
14 to industry and us. One of the most frequent areas of  
15 change in negotiations with companies occurs during  
16 annual report filings is there's a user fee associated  
17 with the filing of that for transmission and liquid  
18 companies and when mergers and acquisitions happen,  
19 generally there's some kind of dispute between the  
20 company that bought some piece of pipe that it ends up  
21 paying some portion of a user fee and those get sorted  
22 out after the filing of the report.

23           So certainly many reasons that we need  
24 something more frequent than just the annual report and  
25 we believe that would be very inefficient.

1           There was some concern about the stated size  
2 of the dollar amount of a project and the length of a  
3 project as being too small a dollar amount, and I think  
4 the comment generally was that -- one comment was that  
5 if you propose a dollar amount, you would end up in 20  
6 years with a similar situation that we have with the  
7 volume element for gas reporting. Inflation changes  
8 that dollar amount over time.

9           So there was a proposal to, instead of have a  
10 dollar amount, move to some only mileage basis. So  
11 those were generally the comments relating to the OPID  
12 Registry.

13           I've already mentioned the need for operators  
14 to reapply, clarified that, and we mentioned the  
15 opportunity to comment. The thing in particular that  
16 we need feedback on is the 60-day notice in particular  
17 and the considerations for the 60-day notice and again  
18 to recap, you know, what we were proposing and again  
19 this is for Gas and for Liquid, that for the events  
20 that we listed in the list, mergers, acquisitions,  
21 projects that are of a certain scope, all the things  
22 that were in the list in the Notice of Proposed  
23 Rulemaking, except for construction notifications, that  
24 we would consider 60 days after, the second bullet, in  
25 terms of an alternative.

1           So the first alternative, adopt as we propose  
2 for 60 days in advance. The second alternative is to  
3 switch the requirement to 60 days after again, except  
4 for construction. Mandate that certain requirements be  
5 reported before they occur for new construction or  
6 other 60 days after they occur. The third one, and  
7 this gets to the new construction separated out in  
8 advance.

9           And then to the point about revising the  
10 mileage and dollar amounts that require reporting, we'd  
11 like your feedback and advice on that or you could come  
12 up with a completely different recommendation.

13           So at this point, hopefully I've clarified  
14 the comments, the nature of what we're trying to  
15 accomplish with the OPID Registry. A reminder. You're  
16 already doing it essentially. You do it on an ad hoc  
17 fashion instead of close to these events.

18           So we believe it's very little burden  
19 generally that we're talking about, and it's electronic  
20 reporting. It should hopefully have some efficiency  
21 for you all rather than have to call us multiple times  
22 to negotiate these things, as well.

23           With that, I would turn it over for some  
24 discussion and for a vote.

25           MS. FORD: Yes?

1           MR. DAVIED: Thank you. This is Larry  
2 Davied. Roger, you mentioned that if all these were  
3 turned to 60-day post new construction wouldn't meet  
4 your needs.

5           Could you expand a little bit on what that  
6 meant?

7           MR. LITTLE: Yes. For new construction  
8 activity, you know, you want to be involved upfront in  
9 the early phase of construction and 60 days after  
10 something, you know, construction activity would have  
11 already begun and in terms of our involvement upfront,  
12 it would not be enough time for us to apply resource  
13 allocation and in terms of our regional availability to  
14 have early involvement.

15           MR. DAVIED: Larry Davied again.  
16 Accompanying that, then does that also represent a  
17 shift in focus and approach over the agency today? I'm  
18 trying to understand what the implication of that is  
19 and the reporting part is one part, but is it a change  
20 in action and direction of resources that are different  
21 than what we expected to see today?

22           MR. WIESE: No. I mean, fundamentally, all  
23 the companies now actively reach out to the regions. I  
24 would say -- let me just say probably 95 percent of the  
25 companies actively reach out to our regions long in

1 advance of the construction. I don't have any doubt  
2 about that and probably to the state partners, too.

3           So I think all that III, to the extent I can  
4 read from here, is attempts to say is that for some  
5 things, like construction, of course, we'd ask to be  
6 notified officially in advance, but you're doing that  
7 now and some of these other transactions are really  
8 after the event because you can't do it before the  
9 event in some cases. So I think that's the intent of  
10 that one.

11           But no, you know, our intent is clearly, as  
12 you'll find out more tomorrow, to be in advance of new  
13 construction.

14           MS. FORD: Yes?

15           MS. HAMSHER: Denise Hamsher with Enbridge  
16 Energy Company and for the recorder, Lisa and I  
17 switched places, so you get us straight.

18           As a company who, one, has a lot of operator  
19 IDs, I'm sorry, it's just the way we're structured and  
20 one that has done a lot of buying, selling, and  
21 construction, I appreciate your wanting to make sure  
22 that this is validated and good because there has been  
23 problems, both on our sides and validation, so we're  
24 very supportive of this. We don't have any problem.

25           I do have one problem on the new

1 construction, is that you don't want it 60 days before  
2 you start construction because by that time you've been  
3 out in the field for about a year and a half. So  
4 typically, going to the regions and preparing them for,  
5 particularly the CATS folks, for the calls they're  
6 going to get in new construction is a year or two years  
7 before construction.

8           So to fulfill your needs to gear up for  
9 construction inspection, public meetings sometimes that  
10 you get pulled in, I don't think this really does it.  
11 So I'm very supportive of your need to do that on more  
12 than just an informal, you know, we expect that people  
13 will do this because it's just good business not to  
14 surprise you. So I'm not quite sure this is meeting  
15 that need.

16           Secondly, I think it's very important that  
17 we, on the buying and selling of assets that already  
18 exist, it simply can't be done 60 days ahead of time.  
19 It could be in violation of market rules. Sometimes  
20 this is market-sensitive acquisitions. So I would  
21 encourage you, as we get toward a motion, that's really  
22 why it's really not an issue of trying to keep it out  
23 of your light. It just doesn't -- one, it shouldn't  
24 affect the safety. It should have one operator that's  
25 regulated going to another operator that's regulated.

1           You need to know that, but I don't know that  
2 you need to know it ahead of time and in many cases you  
3 can't.

4           I think the third comment on the \$5 million  
5 threshold for rehab or upgrade, I'm not even sure what  
6 that means. We have a DRA facility and skid we put in,  
7 five million easy, and power trim, we're increasing our  
8 volume, five million easy. It's not our footprint of  
9 infrastructure that I think is what you're after. A  
10 new pipeline lateral or segment, even a new pump  
11 station-type of thing. So I really am concerned with  
12 how that's written. You're just going to get a lot of  
13 garbage of update and I think it's more workload for no  
14 gain.

15           MS. FORD: Any other discussion? Yes?

16           MR. STURSMA: You know I couldn't sit by. I  
17 fully agree with most of the items on this list after  
18 the fact notice is plenty good. No problem with that.

19           But as you said, notice of construction, you  
20 know, this is not an information or we want to know --  
21 this is not an information for our records-type report.  
22 That is something you have to know upfront so that the  
23 regulatory agencies can schedule their inspections and  
24 so forth.

25           But I would also ask you look at Number 4.

1 Why do we want to know about any rehabilitation  
2 replacement modification upgrade, upgrade or update,  
3 unless it's for the -- a lot of those would be for the  
4 purpose of also maybe inspecting that work in progress.

5           So when you look at maybe what should be  
6 prior reports, we should be after the fact reports. I  
7 would also look at Number 4 to see if all or elements  
8 of Number 4 should be prior reports, and I also put in  
9 the comments that obviously the more notice I can, the  
10 happier I am, but when you think big projects, yes,  
11 using those notices ahead of time.

12           On the other hand, we're an interstate agent,  
13 so we don't normally have the kind of contacts with  
14 interstate operators. We have some intrastate people  
15 and it's happened. We've found a project in progress  
16 when somebody drove by a pipe yard and was wondering  
17 what, you know, is this pipe doing out here and so it'd  
18 be nice to have a mechanism to know that this is like a  
19 20-mile project. It'd be nice to know the projects  
20 like that are going on.

21           But do I personally need 60 days from my  
22 operation? I don't know. I didn't really see this in  
23 the written comments, although I didn't read all of  
24 them, on whether somebody's putting together a project.  
25 Is that 60 days notice before they start going to cause

1 any heartburn or heartache? Like I said, I need all  
2 the -- I appreciate all the time I can get, but if 60  
3 days is going to be difficult for industry, I could  
4 live with less.

5 MS. FORD: Jeff?

6 MR. WIESE: If I can, and I don't mean to be  
7 gratuitous, but I think I agree with Denise's comment  
8 that, by and large, the operators who have significant  
9 projects talk to us a year ahead of time, you know, and  
10 we're all talking about this.

11 It's probably not your significant projects  
12 we're talking about here. It's probably more, you  
13 know, someone's doing 20 miles somewhere and it's  
14 really -- I think it's important for the states to know  
15 and I think it's important for us to know, depending on  
16 who it's jurisdictional to.

17 So I don't think -- I want to just  
18 gratuitously say I don't think it's the major projects  
19 and my guess is with the people sitting around the  
20 room, you're thinking major projects. We're thinking  
21 all projects.

22 Jeryl?

23 MS. FORD: Yes?

24 MR. MOHN: Jeryl Mohn, Panhandle. Going to  
25 the proposed regulation, if I could focus my comments

1 on Paragraphs 4 and 5, Paragraph 5 is the one related  
2 to construction of a new pipeline 10 miles or five  
3 million, and I don't believe from a communications  
4 standpoint with PHMSA to provide you ample opportunity  
5 to direct resources that evaluate whatever you want to  
6 evaluate.

7           While that may not be early enough and a lot  
8 of Denise's comments are relevant, I don't know that  
9 that's a big issue. I have a far bigger issue with 4  
10 as it relates to rehab, replacement, modification, so  
11 on and so forth.

12           I'm not sure why you want to know. I don't  
13 have a problem telling you, if you want to know, but is  
14 it to provide oversight for our construction or is it  
15 -- in these cases, this is, as Denise said, an array of  
16 facilities, a launcher, a receiver, an anomaly,  
17 replacement project, you know, any number of different  
18 projects.

19           Do you want to know so you can inspect us or  
20 do you want to know because you want to know somehow  
21 that we're rehabbing our system, and I'd suggest at the  
22 end of the day that maybe this might create far more  
23 havoc than what it's worth because is it on a vial  
24 section from one pump station to the next or is it on  
25 just a short segment of pipeline? Is it from one gate

1 valve setting to the other?

2           It just can bring a whole array of confusion  
3 at the end of the day. I'm just not sure you'll get  
4 anywhere, that you really are going to get what you  
5 want as opposed to 5, that's very clear. You want to  
6 be involved and have an opportunity to participate and  
7 observe new construction.

8           MR. WIESE: With your permission, I'll just  
9 quick reply, Jeryl, that just for the sake of others, I  
10 think you probably know but with my state partners in  
11 the room, I think it's more the opportunity to inspect.  
12 It's not about the business about understanding which  
13 parts of your line have been rehabbed when. It's more  
14 the opportunity to oversee that activity.

15           You know, to the extent that it's  
16 jurisdictional, it's really about advance notice. So  
17 certainly in your recommendations, you know, in your  
18 advice to us on this particular one as we move to a  
19 vote, you can suggest language that you think we should  
20 consider in moving on that, but I understand your  
21 point.

22           MS. FORD: Yes?

23           MR. PIERSON: Craig Pierson, Liquids. It  
24 felt like the purpose behind the rule is to make sure  
25 you got adequate knowledge of operators and operating

1 what assets. That felt like the purpose. It feels  
2 like when you start having to report the rehab, that  
3 the purpose is changing to you want to know what to  
4 inspect, what construction activities you want to  
5 inspect, and it feels like they're two different  
6 purposes, and we support the first.

7 The second one can seemingly be handled a  
8 different way.

9 MR. WIESE: If you'll allow me just a quick  
10 reply? It is one of the holes that we see in our Code,  
11 that there is no requirement for an operator to notify  
12 us or our state partner of a construction project and  
13 that's something -- so you're right on the first point.

14 Clearly, we all think we better have a better  
15 handle on who's out there operating and what  
16 performance record is really truly attributable to that  
17 operator. I think that's in everyone's best interests,  
18 but the second point was a hole and again, as I would  
19 point out, most of the people sitting around the table  
20 we've talked many times about your construction  
21 projects. So I don't think it's so focused on you as  
22 it is some of these smaller operators who are engaging  
23 in projects without any notification to our state  
24 partners or to ourselves.

25 There's no oversight and so with apologies to

1 the industry, we see that as essential, the oversight  
2 of new construction activities.

3 MS. FORD: Yes?

4 MS. HAMSHER: Denise Hamsher, Enbridge. I  
5 think just to get at that point then, you can achieve  
6 that with 5, as long as you also make sure that 5 isn't  
7 limited to gas transportation. It is both liquid and  
8 gas.

9 The way it's written, you might think the  
10 second half of that sentence 5 is just gas, just make  
11 sure that's clear, and I think you can achieve that  
12 without getting the clutter by eliminating 4 because  
13 that -- you're really throwing -- I mean, there's a new  
14 building around pump -- do you see what I mean? It's  
15 just stuff that really isn't relevant to the safety of  
16 a pipeline system that costs five million all the time.

17 MS. FORD: Jim?

18 MR. WUNDERLIN: Jim Wunderlin. I just was  
19 going to clarify, and I think Jeff brought it up as far  
20 as jurisdictional. I think many of the large  
21 construction projects are FERC jurisdictional and  
22 although when those occur, you know, certainly our  
23 PHMSA-DOT representatives are always welcome to come  
24 out and observe, but really FERC takes the  
25 jurisdictional charge and it kind of is between the

1 intrastate simple projects and the large interstate-  
2 type projects. I just want to know that there may be  
3 some clarification there as far as -- and we understand  
4 PHMSA would like that information about construction,  
5 like Iowa.

6           Some of our states, at least one of our  
7 states asks for a list of construction projects before  
8 we build so they can go to the field and step in and  
9 inspect those whenever they want. Other states don't  
10 ask for that. So I can see your gap and that you may  
11 want to know, but I think it would probably be more  
12 important that the states know than PHMSA back in  
13 Washington.

14           MS. FORD: Jeff?

15           MR. WIESE: And my only reply to that is,  
16 first of all, it's not for jurisdictional construction  
17 of new pipeline. It's jurisdictional to PHMSA and, you  
18 know, we take that pretty seriously. So when I say  
19 jurisdictional to us, I also mean our state partners.

20           I don't mean to just say -- clearly, we have  
21 divided up jurisdiction for intra and inter and it  
22 varies depending on which state you're in, but new  
23 construction's definitely jurisdictional. FERC does  
24 lay down requirements and they do inspections but not  
25 for the same types of issues that we're inspecting for.

1 My first point.

2           Second point. To help with the states, and I  
3 know that both Massoud and Don know this, we've created  
4 an application so when you file this, it's  
5 automatically viewable by the states. So it's really  
6 fundamentally you file it once and I think when all  
7 operators do that, it'll be immediately available to  
8 the states and no need for that kind of duplicate  
9 reporting.

10           MS. FORD: Yes?

11           MR. DAVIED: This is Larry Davied again. I  
12 want to state what I think I'm hearing and/or maybe  
13 it's a twist of here's what I'm supporting.

14           I'm supporting all of this on a post-basis,  
15 except for the construction on a pre-basis, as I think  
16 I'm hearing the tone of the conversation. I would  
17 encourage that to be on a miles instead of a dollars  
18 for much of the reasons that were already talked about.

19           The third point is you get into the NOPR  
20 itself and this applies to 191 as I'm looking at it and  
21 195. Both Bullet Point 6 appear to have a conflict  
22 with -- if we go to the direction of new construction  
23 be reported in advance, Item 6 is acquisition,  
24 divestiture and new construction is mixed there. That  
25 needs to be cleaned up if we go that route. Pushing

1 that into all construction would be in 5 on both 191.21  
2 and 195.64. So that's my vote for that.

3 Thank you.

4 MS. FORD: Thank you. Any other discussion?  
5 Yes? I'm sorry.

6 MR. KUPREWICZ: I just want to enter into the  
7 public record from a public perspective for both liquid  
8 and gas pipelines, a lot of the public clearly  
9 understands that this is an issue that should be  
10 related to construction.

11 I think there's some good comments that have  
12 been made here about we don't want to create a database  
13 that inundates the system, the federal system with so  
14 much minor stuff, but from a public perspective, this  
15 is going to be a hot topic coming up here in terms of  
16 is PHMSA in its role ahead of the curve during new  
17 construction items because historically we've had a  
18 problem there?

19 So I guess from my perspective, it's hard to  
20 get there and you guys will have to work this, I'd  
21 recommend taking the dollar amounts out because that's  
22 just a lot of volume, but try to figure out how you get  
23 that intent. How do you get that confidence to the  
24 public that PHMSA has done their inspection role  
25 regarding important new construction, both liquid and

1 gas, and so that's -- I don't have an answer for you  
2 there, but I want to kind of drive towards a concept  
3 that I'm hearing here.

4 MS. FORD: Thank you. Is there any more  
5 discussion? Jim?

6 MR. WUNDERLIN: I'll make one more comment.  
7 Right now, I believe we have 10 miles and \$5 million.  
8 I mean, 10 miles of pipe very easily can be a million  
9 dollars a mile, \$5 million is pretty low. I think  
10 maybe \$10 million is probably more in line.

11 MS. FORD: Any other discussion before we  
12 take the vote? Oh, I'm sorry.

13 MR. PIERSON: Craig Pierson, Liquids. I  
14 think at least I would support moving two miles and  
15 it's simpler and takes inflation and all kinds of  
16 different factors out of the equation.

17 I think it's miles that we're interested in  
18 and not rehab and other station-oriented projects. So  
19 I'd make that comment.

20 MS. FORD: Thank you. Do we have consensus  
21 to vote on the whole ID Registry or do you want to take  
22 them 2A, 2B, and 2C? It seems that we've had the  
23 suggestions on each one of them.

24 MS. HAMSHER: I think we need in turn a  
25 motion from the liquid industry and take that vote,

1 Madam Chair. This is Denise Hamsher, sorry, from  
2 Enbridge, and then in turn take a vote from the Gas  
3 Committee. Do you want to do it that way or --

4 MS. FORD: Initially, we said we would  
5 separate out when we got to the large vote. Jeff had  
6 said that earlier. You want to clarify that, Jeff?

7 MR. WIESE: At the end, we'll ask for any  
8 differences. I guess in listening, you're gravitating  
9 around the same points, regardless of who you are. So  
10 I guess I would say do you believe that it's essential  
11 to take the vote that way?

12 I mean, we're really asking for a sense of  
13 the committee right now on this provision. We're going  
14 to come back and vote. If the committee, Liquid  
15 Committee wants to offer their advice. I'd have a hard  
16 time personally separating a requirement differently  
17 for Gas and Liquid here. So I guess I would --  
18 procedurally, I don't know if they have to vote  
19 separately on this. I don't think so at this point.

20 MS. HAMSHER: How about if I take a crack at  
21 a motion and then we'll see if it can't be fixed, if I  
22 don't make it?

23 I propose that the rule as published in the  
24 Federal Register is technically feasible and  
25 reasonable, cost effective, and practical, subject to

1 the following recommended changes: a recommendation  
2 that you eliminate the Paragraph 4, mandate for rehab,  
3 upgrade, kind of miscellaneous, that we move to a pre-  
4 construction reporting on a mileage, not dollar, basis,  
5 and that all other reporting requirements are on a  
6 post-activity basis.

7 MS. FORD: Is there a second?

8 SPEAKER: Second.

9 MS. FORD: Discussion?

10 SPEAKER: Is your motion intended to  
11 incorporate 2A and 2B or are you looking to address 2C  
12 only in your motion?

13 MS. HAMSHER: I was really focusing on the 2C  
14 list of paragraphs which would be that's how it's read,  
15 but I think we could clarify the motion that it is to  
16 adopt as written in the Federal Register, but for the  
17 requirements in 2C, is that right, on the triggers for  
18 the reporting.

19 SPEAKER: By rule means you mean the entire  
20 proposed 191.22? Then it is clarified to my  
21 satisfaction.

22 MS. HAMSHER: Yes.

23 MS. FORD: Thank you. It's been seconded.  
24 Over here, thank you.

25 MS. HAMSHER: Sorry to clarify, we should, is

1 that it would -- the OPID for both 191 and 195.

2 MS. FORD: Okay. Is there a second? Oh,  
3 okay. Thank you. Discussion again?

4 MR. DAVIED: This is Larry Davied. The  
5 discussion comment is I do think Item 6 needs to be  
6 cleaned up with that motion in mind because it has new  
7 construction. That's just a housekeeping issue, I  
8 suspect.

9 MS. FORD: I think that was in her motion.  
10 Okay. Any other discussion?

11 (No response.)

12 MS. FORD: Ready for the vote. All in favor?

13 (Show of hands.)

14 MS. FORD: Opposed? It's unanimous. The  
15 motion carries. Thank you.

16 MR. WIESE: I'm confident that this one won't  
17 be controversial and that we'll be able to get through  
18 this one really quickly. We're really hoping to get  
19 through this one quickly. We still have one more item  
20 to go to, but --

21 MS. HAMSHER: Is that an admonishment or  
22 request?

23 MR. WIESE: Take it however. I wonder if  
24 you'll allow me just two seconds, Madam Chairman, --

25 MS. FORD: Sure.

1           MR. WIESE: -- to introduce Cynthia  
2 Quarterman, our new Administrator. So she'll get to  
3 slog through some of these votes and understand what  
4 you're going to say to her at Happy Hour.

5           Any rate, thank you for coming in. We're a  
6 little behind schedule, obviously, but thank you for  
7 showing up. Is Cindy here with you, too? Cindy  
8 Douglas here? I don't think so. Okay. Great. So  
9 thanks.

10           Back to Roger for a quick kind of review of  
11 this issue.

12           MR. LITTLE: Right. This is the final issue  
13 that we have for the One Rule, and thank you all for  
14 bearing with us with a lot of very complex technical  
15 issues.

16           The state reporting by hazardous liquid  
17 operators, I mentioned earlier, was one of our mission-  
18 critical elements. The proposal is to require -- and  
19 this is for Liquid only. This applies to the Hazardous  
20 Liquid Annual Report, to expand that out for by-state  
21 reporting.

22           Generally, for most of the elements, except  
23 for the Integrity Management-related Sections, the old  
24 Parts G and K, we heard early comments that those would  
25 be very difficult to do by state and so we had a

1 concession on that.

2           The data would allow PHMSA to improve  
3 allocation of inspection and other resources through a  
4 better understanding of the infrastructure we regulate.  
5 It goes to our data-driven goals, our data-driven and  
6 risk-based goals, and it's essential for targeting  
7 related risk reductions and we believe it's extremely  
8 important, based on discussions we've had with our  
9 state partners, for their needs, for all of their  
10 oversight and risk reduction. It would help with state  
11 requests for information post-accident and for  
12 enhancing by state and regional analysis and help with  
13 the basis for evaluating state program initiatives.  
14 That was one of the comments we had in support of the  
15 by-state reporting.

16           Some of the aspects of the collection that we  
17 wanted to bring to your attention that helps somewhat  
18 mitigate burden. Right now, we would -- we're  
19 hopefully having a final rule out by Spring of 2010.  
20 So essentially from now, you have somewhat 18 months to  
21 collect the information. It would be due with a June  
22 2011 report, if approved.

23           As I mentioned, we already basically  
24 acknowledged that Parts J and K, we would let you  
25 report nationally, not by state.

1           I wanted to point out that we went through  
2 this process back in 2001 for the collection beginning  
3 in 2002 of the Gas Transmission Annual Report which we  
4 have by state. They have twice the mileage and at the  
5 time they began that reporting, they had a lot less of  
6 that in GIS Tool. So we're hoping that for this  
7 industry, that you would have a lot less burden for  
8 that reporting than they do and they're already doing  
9 it.

10           And one other point on that. Basically, just  
11 a little calculation of the data that's coming in now  
12 for annual reports. We have 342 companies filing a  
13 173,000 miles roughly. Out of that, 37 companies have  
14 80 percent of that mileage. So many of these 342  
15 companies that file annual reports would have very  
16 little burden. Some small percent of total operators  
17 would really have the burden and we believe that those  
18 are the companies that are most likely to have GIS  
19 systems and hopefully that would facilitate your  
20 ability to do that reporting.

21           To summarize the comments, basically we had  
22 some pushback about why do we need the data and I sort  
23 of clipped through some of the reasons that we need  
24 that data, and also there were comments about under-  
25 estimating the burden. Those were generally the nature

1 of the comments.

2           Some of the alternatives that we would  
3 consider, we certainly can clarify what information  
4 should be reported nationally and by state. As I  
5 mentioned, the Integrity Management Sections in  
6 particular are already and also the Total Volume and  
7 Barrel Miles would be reported nationally. Those were  
8 other things that we heard would be very difficult to  
9 do by state, and we would certainly clarify in a final  
10 rule what those exemptions are for the by-state  
11 reporting, and we would explain a little bit more about  
12 the particular need for the elements as we would move  
13 forward.

14           So the considerations are also to adopt as  
15 proposed, as we've done for the other considerations,  
16 turn the proposal down, or if you have other  
17 alternatives that you wanted to bring up, and as I  
18 mentioned, this was essentially a Liquid issue.

19           So with that, I'll turn it over for further  
20 discussions and hopefully a vote.

21           MS. FORD: Any discussion? Yes?

22           MR. PIERSON: Craig Pierson, Liquids. I just  
23 have a quick question on the commodities on the natural  
24 gas side.

25           Is there a difference in the number of

1 commodities that liquids have to report compared to  
2 gas?

3 MR. LITTLE: Yes, there is. Currently on the  
4 gas report, as it is, we don't segregate that out. We  
5 proposed in the One Rule to add some clarification of  
6 the different products that the gas companies have and  
7 we've had some additional comments that seem supportive  
8 from INGA about the nature of that, but right now for  
9 the Liquid Report, it's by four commodities, crude,  
10 refined products, carbon dioxide, HVL.

11 MS. FORD: Any other discussion? I'm sorry.  
12 Wunderlin and then --

13 MR. WUNDERLIN: Jim Wunderlin. I just want  
14 to clarify and I think it has been, but in the NPRM,  
15 there was -- it sounded like that you were proposing to  
16 report transmission integrity information by state for  
17 gas, also. Is that not the case or is that going to be  
18 discussed at a different point?

19 MR. LITTLE: Well, actually, we did not have  
20 that in the presentation here, but that is proposed in  
21 the One Rule and basically for the expansion of  
22 information, keep in mind that reporting is already by  
23 state.

24 The consequence of merging the gas  
25 transmission biannual metrics on to the annual report,

1 you know, required a consideration for how that would  
2 be handled. We have the same concession for the gas  
3 transmission form for the same reasons. So for the  
4 performance measures that we proposed in the One Rule  
5 on the form, we stated filed by state except for the  
6 following sections and we noted the sections that we  
7 were not going to propose to be required by state.

8 MR. WUNDERLIN: So if that's the case, I  
9 would submit that you use existing data that we report  
10 now for transmission integrity rather than create new  
11 data points and that would be acceptable.

12 MS. FORD: Thank you. Yes?

13 MR. DAVIED: This is Larry Davied. One of  
14 the points that confuses me a little bit is on the  
15 liquid side, we're required to report by commodity and  
16 I've done this a number of years on pipes. A single  
17 pipe or system handles multiple commodities.

18 We've received mixed guidance in the past as  
19 to how to report that and actually the latest guidance  
20 we had was report the same pipe under all the  
21 commodities. I'm not sure what that data ends up doing  
22 because it makes our system appear much larger than it  
23 is. That was the guidance we received back.

24 Now when I add the requirement to do further  
25 divisions of that by state, I'm really confused. So

1 there's some -- I think we really need -- again, the  
2 purpose of this is presumably to get a better  
3 understanding of what we have out there. You don't  
4 have that today in my case and in discussing this with  
5 some other operators they're in the same shape and  
6 adding that by commodity issue in the multiples that we  
7 report mileage, you know, which system is it, some of  
8 them are flat ties. I can transport three commodities  
9 through a single service and do, depending on the  
10 seasonalities and issues there.

11 So that causes me concern of what it is we're  
12 actually going to be accomplishing with the mass of  
13 data that goes with that.

14 Thank you.

15 MS. FORD: Jeff?

16 MR. WIESE: You know, and first of all, if  
17 you're getting guidance that said we need the same  
18 infrastructure information for each commodity, I don't  
19 think anyone would think that that makes a lot of sense  
20 and so clearly what we're looking for is infrastructure  
21 information by state. Okay. Be clear in that.

22 Then when you get to commodity movement,  
23 that's a separate matter, you know, and I could be  
24 wrong here and I defer to your expertise in this area,  
25 but I've got a feeling you know how much commodity

1 you're moving. So how we -- your recommendation on how  
2 to handle commodity is one thing, but the  
3 infrastructure information, I clearly agree with you.  
4 You shouldn't be reporting the same infrastructure  
5 information for each commodity.

6           The idea is to better understand what  
7 infrastructure resides where so that we can better  
8 calculate the nature of risk. So if we're doing it,  
9 then, Larry, we should take that under advisement and  
10 you could put that in your motion.

11           MR. DAVIED: I'll do that, but probably  
12 what's lacking there is I actually haven't been able to  
13 decipher how the data's being used and the purpose of  
14 it and again in those discussions, it's led to doing it  
15 the way that we did it last. It's been inconsistent  
16 through the years how to give that.

17           We do know the commodities we transport. We  
18 know our mileage, but I'm not -- I haven't been able to  
19 figure out what we're doing with this data.

20           MR. SHELTON: Larry Shelton, Liquid Industry.  
21 The justification in the Federal Register mentions risk  
22 management quite a bit and relies heavily on risk  
23 management and, quite frankly, we very much are  
24 supportive of anything that helps us to manage the  
25 risks of pipelines, but there's two risk management

1 principles that are at work here.

2           One is that resources are directed to where  
3 they result in the greatest benefit. The second is  
4 that the data that risk management decisions are based  
5 on has to be accurate.

6           So our concern here starts with the data  
7 accuracy. We took a representative sample of our  
8 industry just to try to understand the burden a little  
9 bit better here and just looking at 12 operators that  
10 we thought was representative across the scale of the  
11 liquid pipeline industry, we found that it was on the  
12 average between a 150 and 200 pages of forms in  
13 addition to what they currently file for infrastructure  
14 data.

15           One operator among that 12 would have had 600  
16 additional sections of forms to complete, largely  
17 because of the commodity but also because of the number  
18 of states involved.

19           When you look at an average of a 150 to 200  
20 pages times, as the Federal Register says, 310  
21 operators, the amount of data that's going to come in  
22 to PHMSA has got to be huge.

23           I'm concerned about the processes that  
24 currently exists within PHMSA to process that data and  
25 to integrate that data.

1           Right now, as I understand it, it's not  
2 automatic. The form is going to come in and then that  
3 data will have to be manually transferred to a database  
4 where the data will be manipulated or used for  
5 assessment.

6           When that happens, there's a lot of  
7 opportunity for error. There's a lot of opportunity  
8 for error on the part of the operators filling in that  
9 many forms but then in the transfer to the database,  
10 there's more opportunity for error.

11           So we have some concern there, but then also  
12 what's going to come back out of it for all that work  
13 and all that labor, we'd like to have a better  
14 understanding of how this will actually be used to  
15 improve risk management in pipelines.

16           MS. FORD: Yes?

17           MS. PARKER: Lisa Parker. OPS/PHMSA has  
18 spent many years on the National Mapping System.

19           How does this correlate with the information  
20 you have from the National Mapping System?

21           MR. WIESE: I'll try that one. Roger can  
22 correct me where I'm technically in error here.

23           That's an excellent question, and I will tell  
24 you that it's something that we've talked with the  
25 industry about, as well.

1           We see the opportunity down the road through  
2 better use of GIS, as Roger was pointing out, and it's  
3 use has been growing and with the proper attributes,  
4 we're fundamentally talking about electronic reporting,  
5 you know, and then those attributes are associated with  
6 the NPMS submission which the operators provide every  
7 year, in addition to the annual report.

8           I will say that the one company -- that was a  
9 recommendation actually that came from the industry,  
10 that we try to work on that. The one company we did  
11 work with, we ran into problems with. That's not to  
12 say it's not doable. You know, I personally think it  
13 is. So it is not currently as proposed being submitted  
14 in a geospatial manner, other than by state.

15           Now in a perfect world, you know, would I  
16 like to have that information attached to a GIS and the  
17 attributes? Yes. You know, the question was we're  
18 trying to talk about having the industry report to us  
19 on a state by state basis versus nationally.

20           So I don't know if it's incremental progress  
21 we're after here or what. Ideally, the GIS submission  
22 would accomplish all of these things, and I think we  
23 would share that goal. It's just a challenge of how we  
24 get there.

25           MS. PARKER: If I might? So what's your

1 primary purpose in wanting this information? To know  
2 where the lines are, to know the size of the lines?  
3 What's the primary purpose?

4 MR. WIESE: If I may? So multiple reasons.  
5 I certainly invite my state partners to jump in. Our  
6 responsibility after the regulations are passed is to  
7 inspect and enforce those regulations.

8 Understanding the location of risk in the  
9 system is critical to both of us. Neither our state  
10 partners or ourselves are resourced to the hilt. We  
11 have to allocate our fairly limited resources to  
12 highest priorities. I can pick one example currently  
13 that's very popular. Pre '70 ERW pipe, you know. For  
14 example, the NTSB has made clear recommendations to us  
15 to better understand the nature of that issue, lay out  
16 an action plan for addressing it and so I posit to you  
17 that while we have that information in an aggregate  
18 sense nationally, we don't know where it resides.

19 Okay. So if we want to amplify our  
20 inspection effort and our integrity management efforts  
21 on operators, just hypothetically, you know, having  
22 that pipe, where is it? Is it really a state matter?  
23 Maybe it's Massoud's, you know. It's all in the state  
24 of Virginia and none of it is anywhere else or in Iowa,  
25 for that matter.

1           But the point is, it's hard for anyone to  
2 focus when information only comes in at a national  
3 level. So I don't want to minimize the fact that it is  
4 a burden to operators and I think we've been trying to  
5 work our way through that burden issue, but that's the  
6 quick answer.

7           MS. FORD: Yes?

8           MR. TAHAMTANI: Madam Chair, I'm on the state  
9 partners that Jeff keeps talking about.

10           In Virginia, we get very detailed data on gas  
11 operators and clearly I can't understand why any  
12 operator doesn't want to provide that data as detailed  
13 as possible.

14           Now there is a point that it becomes  
15 ridiculous, but we're also agent for the liquid  
16 pipelines and we don't have that data. So going to the  
17 points that have been made, we're sort of guessing what  
18 the risks are when it comes to our liquid pipelines and  
19 try to work with them. They're giving us a lot of  
20 information. They don't have to and often they say we  
21 don't -- we're not required to do so, but we work with  
22 them when we get that data.

23           There is a big difference between the gas  
24 operators that we regulate and the liquid companies  
25 that we work for and speaking of risk management, I

1 would suggest to you that if you've got a pipeline that  
2 runs from Texas to New York, in Virginia you may have a  
3 much lower risk when it comes to excavation damages.  
4 You would want to know what portion of your pipeline is  
5 exposed to a lesser degree of excavation risk which is  
6 the highest risk when it comes to pipeline facilities  
7 and maybe focus your resources in North Carolina,  
8 Georgia, and other places.

9           So I'm not understanding why the industry  
10 doesn't want to provide this information to the  
11 regulators and work with them to together address the  
12 risks.

13           MS. FORD: I'm sorry. You and then --

14           MS. HAMSHER: Denise Hamsher with Enbridge.  
15 First, I would agree, Massoud. I think the industry  
16 has worked a great deal in helping to improve the data  
17 and this is probably a good opportunity because this is  
18 -- you know, Roger and the staff have worked really  
19 hard to do this. This is a difficult process.

20           The rolling up of some of the information so  
21 it's not state by state, such as volumes, because we  
22 just don't measure state by state. Some of the  
23 integrity, I think, is very much appreciated. I think  
24 we continue to improve this, but let me just give you  
25 an example. It's not trying to be reluctant to give

1 the data. It's let's make sure it's not garbage-  
2 in/garbage-out.

3           Going to Larry's point, we have, and it'd be  
4 one of the construction reporting that you're talking  
5 about, we have a three-state system to where there are  
6 seven parallel pipelines going up halfway through two  
7 of the states and from there six pipelines that go from  
8 there through the next half a state and into the next.

9           Of those lines, one of them batches crude oil  
10 and highly-volatile liquids, natural gas liquids.  
11 That's two reports. So if you start looking at the  
12 permutations that you have to do of just a form, you're  
13 getting a lot of information. It doesn't take hard to  
14 start adding up two forms that come in.

15           So I don't know that it's the data. I think  
16 you should know the miles of crude oil pipelines, but  
17 the way that it should be done in a more database way  
18 so that the first part of the form can be completed,  
19 then you populate some of the things that are state by  
20 state. However, it's done in a more database form  
21 rather than stacks, even though there are electronic,  
22 it's not true databasing-type format.

23           So while there's been great improvements, and  
24 I think the burden and the quality information, as the  
25 state that I'm talking about is the home of Oberstar's

1 district, I do appreciate that you are put on the spot  
2 to answer these types of questions about state and I  
3 think there is a relevant need to have it, but let's do  
4 it so that it really makes sure that it's valid data,  
5 reduces the chances for error and we don't have these  
6 permutations of forms that I think is causing some of  
7 the burden that we may sound like we're whining about.

8 MS. FORD: Jim?

9 MR. KUPREWICZ: Rick Kuprewicz, member of the  
10 Public.

11 I'm trying to understand both perspectives  
12 and try as a neutral observer representing the Public  
13 what's in the best interests of the public, and I've  
14 got to tell you right now I take Jeff on his faith that  
15 this is an infrastructure issue and as a supporter of  
16 risk management approaches over the years, you cannot  
17 stand up in a state and explain to them we don't have a  
18 number for the number of miles of 24-inch liquid  
19 pipeline or whatever it is.

20 So what I'm hearing is concerns about the  
21 complexity as we get into a different issue, the  
22 commodity transportation. That may eventually enter  
23 into risk management issue, but at this stage, no one  
24 in this room can defend that you don't have a number  
25 for the type of pipelines you have in each state and I

1 think you need to start -- that's probably where this  
2 needs to go.

3           So from a public perspective, PHMSA has our  
4 support in that issue, and I speak probably just beyond  
5 -- just myself. There are other representatives  
6 listening in on this on the public side, but you cannot  
7 get into a risk management analysis without a proper  
8 mileage of what size pipeline you have and what service  
9 they're in. Okay. So that's a no-brainer.

10           You have that data in your organizations.  
11 How you compile it is a different issue and what I am  
12 hearing, though, in fairness to the industry is if  
13 you're going beyond that with a lot of complexity and  
14 you're adding volume there, you're getting away from  
15 infrastructure. Right now, the primary focus is  
16 infrastructure. So that's my input into this process.

17           Thank you.

18           MS. FORD: Thank you, Rick. Any other --  
19 Jeff?

20           MR. WIESE: Just a quick comment, if I can,  
21 because I think I know the industry knows this. So for  
22 the benefit of the others who are going to be involved  
23 in the voting here, first of all, we're talking  
24 electronic reporting. So the issue about transcription  
25 and the database is moot. You're going to be making

1 the data entry in this case at some point in time. So  
2 let's put that aside. I think it's a legitimate issue.

3 We're going to file paper forms, no doubt about that.

4           Second thing I'd say to you, as far as  
5 infrastructure information goes, unless you're churning  
6 and burning, you're going to enter that one once, you  
7 know, and you're only going to enter changes. Remember  
8 what Roger said on the form. There's a box that said  
9 no change and if you're -- and as Denise said, they  
10 subdivide by system and associate out by days with  
11 system. Your system didn't change. You're going to  
12 check the box that said no change.

13           So when we come to the burden, I grant you  
14 that the first time out of the box, there's a burden.  
15 The second and third time the burden is infinitely  
16 minimized. So I'm almost sensitive to Rick's comments  
17 about the complexity of reporting volumetric data state  
18 by state. So I'm going to look to you at some point to  
19 make a recommendation here and a motion, but we'll come  
20 back to that and there's plenty of time for discussion  
21 on that point, but I just wanted to clear up the  
22 reporting issue.

23           MS. FORD: Denise, did you have further  
24 conversation?

25           MS. HAMSHER: No, that's fine. Sorry.

1           MR. PIERSON: Just a point of clarification.  
2 This is Craig Pierson, Liquids.

3           Section J has a lot of ILI data and anomaly  
4 reporting. What is -- where do we stand with Section J  
5 as needed or not needed?

6           MR. LITTLE: Section J was one of the  
7 elements that in the NPRM we proposed to collect  
8 nationally. We acknowledge that for that section, it  
9 would be difficult to do that by state and so we had a  
10 concession there.

11           I'd like to just add one other, you know,  
12 comment, sort of in response to some of the burdens and  
13 some discussion that happened about relating to the  
14 National Pipeline Mapping as an alternative.

15           We did consider that. We did run two  
16 different pilots. There were problems with the  
17 company's information and with our system. We're  
18 working on that. I would hope that in the near future  
19 GIS as an alternative would materialize. It isn't  
20 there yet, but, you know, along Jeff's point, it is  
21 electronic. The burden would go down after you do it  
22 the first time.

23           As soon as we can do it through the National  
24 Pipeline Mapping System, I would hope we would accept  
25 that as an alternative. I just wanted to get that out

1 there.

2 MS. FORD: Yes?

3 MR. PEVARSKI: Rick Pevarski. A question.  
4 On the annual report, is it purely infrastructure or  
5 does it also include failures?

6 MR. LITTLE: The annual report is purely  
7 infrastructure. There is no leak reporting on that  
8 form, except for the integrity management aspects which  
9 we're not proposing nationally, but the leak sections  
10 that we have on the gas form, we don't collect the  
11 equivalent of on the liquid form.

12 MS. FORD: You're next. Yes?

13 MR. SHELTON: Larry Shelton, Liquid Industry.  
14 I just wanted to clarify, and I think Denise probably  
15 did a good enough job of clarifying, but I just wanted  
16 to make sure it's understood that we agree with all the  
17 comments that were made in here.

18 There's not an objection to providing the  
19 data. The concern is with the process for how we  
20 provide the data, how it's collected, and how it's  
21 processed.

22 MS. FORD: Richard?

23 DR. FEIGEL: What's the extent of the detail  
24 required in this report, other than location and  
25 product? I'm sorry. Gene Feigel.

1           MR. LITTLE: There is not a copy of this  
2 product, I don't believe, of the proposed form.

3           DR. FEIGEL: Well, --

4           MR. LITTLE: Basically, it has a section by  
5 diameter. It has a section by decade installed. It  
6 has sections on the integrity management findings. It  
7 has sections on methods of internal inspection, miles  
8 internally inspected by method. There's a section on  
9 highly-volatile liquids. There's a section on ERW  
10 pipe.

11           DR. FEIGEL: That's fine. Could I get a copy  
12 of that at some point?

13           MR. LITTLE: Absolutely.

14           MS. FORD: Thank you. Any other discussion?  
15 Yes, Chief?

16           MR. BUTTERS: Tim Butters, International  
17 Association of Fire Chiefs. I just wanted to go on  
18 record here with regard to the importance of this  
19 commodity information and those of you who know me, you  
20 know, I spent almost 10 years as the Senior Director  
21 with Chemtrek, with the American Chemistry Council,  
22 prior to my becoming a fire chief.

23           But the commodity information is critical in  
24 terms of a risk management perspective and how we  
25 prepare our personnel and our operating units to deal

1 with incidents. Obviously, we stress risk-based  
2 approach and risk-based response and knowing the kind  
3 of commodities we're going to deal with will help us  
4 better prepare and train our personnel to deal with  
5 those emergencies and, of course, I very much  
6 appreciate the challenges that the industry faces.

7           You know, we deal with the same issue with  
8 the railroads in terms of trying to specify commodities  
9 that go through states and localities, but hopefully  
10 with -- by moving toward that, we can all be able to  
11 generate the kind of information and to help us again  
12 be prepared to deal with these incidents because  
13 obviously nobody wants them to occur.

14           We appreciate being able to resolve these  
15 things quickly, but I do hear you that there's no  
16 opposition to this, just how do we get there.

17           MS. HAMSHER: Denise Hamsher from Enbridge.  
18 To your point, couldn't agree more. I would not think  
19 that it's this form and infrastructure data that will  
20 accomplish that goal, but instead under either the Part  
21 194, Part 192, or Part 195 requirements to actually  
22 meet and do a liaison with the local responders on just  
23 that issue, including MSDS Sheets and anything else  
24 that's there.

25           So agree, I don't think that this reporting

1 is the way for us to best communicate with those local  
2 departments that that information is so vital for.

3 MS. FORD: Jeff?

4 MR. WIESE: First of all, since a number of  
5 us have been on the same committees for years, I would  
6 agree with Denise, but I will tell you that there are  
7 communities who, you know, we know that the operators  
8 go there and they knock on the door but the community  
9 is so busy they don't have time to meet with them, but  
10 in their planning exercises, it's useful to them to be  
11 able to understand what kind of commodities are moving  
12 through.

13 So the volumetric discussion aside, you know,  
14 I wonder whether or not I'm trying to move us along  
15 towards some form of a consensus. I don't hear anyone  
16 arguing about the infrastructure information, although  
17 some people may question whether we can use it. I'm  
18 hear to tell you we can. We're eventually going to be  
19 moving that towards a public domain.

20 So I think it's in all of our interests to  
21 make sure that it's accurate. Our state partners need  
22 that information. We do, too. I'm sensitive to the  
23 notion about trying to calculate volumetric amounts,  
24 particularly in lines that are batched.

25 So I wonder if there's any way to gravitate

1 towards infrastructure information that we have  
2 dedicated crude oil lines, it's clear. I mean, we  
3 identify categories of product or batched, you know,  
4 it's batched, it's really just, you know, the jet fuels  
5 or motor fuels, what have you.

6 Is there some sort of -- do you see any kind  
7 of a middle ground on that?

8 MS. HAMSHER: Well, this is Denise Hamsher.

9 MS. FORD: Denise?

10 MS. HAMSHER: I understand that we're only  
11 reporting volume at a macro level. No problem. We  
12 report that in many cases to FERC. I guess there are  
13 some liquid lines that are. So that's not a problem.  
14 You'll get the volume. You won't get it by the state  
15 by volume which is exactly the progress that I think  
16 we've made just because we don't measure it that way.  
17 So that will be there, I think. That isn't the  
18 problem.

19 I think what we were getting at, to Larry  
20 Davied's point, is in the batched, we're going to have  
21 to choose. It's one or the other, unless you add an  
22 option that it's a combined batched system. So it  
23 can't be two. You're going to get double  
24 infrastructure reporting.

25 MR. WIESE: And being sensitive to recent

1 events and failures and analyses that have gone on, I  
2 can suggest to you that it's important to us to know  
3 we've got HVL moving through these lines, you know. So  
4 it's important to know what the commodity is in general  
5 and I think that that addresses Tim's point, as well.

6 MS. FORD: Thank you. Any other discussion?

7 (No response.)

8 MS. FORD: Do I hear a motion for By State  
9 Reporting on Hazardous Liquid Operators?

10 MR. TAHAMTANI: Make it a motion.

11 MS. FORD: Is there a second?

12 MR. BUTTERS: Second.

13 MS. FORD: It's been moved and seconded.  
14 Discussion? Yes?

15 MR. DAVIED: I am supportive of the motion  
16 and the second, but there does need to be a commitment  
17 and acknowledgement of cleaning up and not having  
18 that's the way the form is and almost a live with  
19 it/deal with it. I'm sorry. It's Larry Davied.

20 Everything's been said here. I'm full  
21 support of getting the data out, the information, and  
22 the box that says yes, it does these three or four  
23 commodities, whatever the number is, very important,  
24 but, frankly again, some of the information I'm  
25 providing today, I don't know what it means and there's

1 no way that it can be interpreted appropriately from  
2 multiple folks. So that there needs to be a commitment  
3 with the motion to clean that back office portion up.

4 MS. FORD: Any other discussion?

5 MR. TAHAMTANI: I made that motion with that  
6 commitment from Jeff.

7 MR. WIESE: Well, I don't want to get in the  
8 way of the motions here. I'm not exactly sure we have  
9 competing motions. I will say, you know, out of  
10 respect to the staff, that they've been working with  
11 the industry for the better part of a year on this  
12 issue.

13 So I think we broadly understand. I  
14 appreciate your drawing a line under it here. The  
15 purpose of the committees is to provide advice to us.  
16 We welcome and solicit your advice and to the extent  
17 that you have a concern with that, you should  
18 articulate that and we take all the advice from the  
19 committee seriously.

20 MS. FORD: Thank you. All in favor.

21 (Show of hands.)

22 MS. FORD: Opposed? Unanimous. Motion  
23 carries. Thank you.

24 Now we go to Public. Let's give everybody a  
25 round of applause for this.

1 (Applause.)

2 MS. FORD: Before we go to the Vote on Agenda  
3 Item 1, I'd like to hear briefly from the Public. Is  
4 there anybody here from the Public that wants to get up  
5 --

6 MS. SAMES: I'm sorry. Christina Sames,  
7 American Gas Association.

8 I completely agree, Jeff. Applause to the  
9 committee for actually getting through the One Rule.  
10 It's a little daunting, a lot of things, and I  
11 apologize for dragging it out just a little bit  
12 further, but I just want to make sure, and I'm talking  
13 Fire First --

14 MR. WIESE: You said you were going to be  
15 brief.

16 MS. SAMES: As brief as you are, Jeff. I  
17 just want to make sure that I know that both INGA and  
18 AGA and APGA, I think, had a lot of comments about  
19 combining the Annual Report and Integrity Management  
20 Reporting and we kind of glossed over that.

21 I know that AGA and I'm sure INGA staff would  
22 be very willing to work with PHMSA to fix some of the  
23 things that we think are wrong, to make sure that --  
24 there were a lot of data elements that were added and I  
25 think what I heard when Jim brought it up was that

1 you're not planning to include that. You're just  
2 trying to keep consistent data that you're already  
3 collecting. We have no issues with that.

4 But there are some other issues that I think  
5 really need to be addressed. I don't want to dive into  
6 that. I just want to make sure it's not glossed over  
7 and that it will be addressed.

8 So thank you. I see Jeff's head nodding.  
9 I'm going to assume that, yes, it will be addressed,  
10 and I know you all are collecting Fire First. So we're  
11 good on you fixing that.

12 Thank you.

13 MS. FORD: Thank you.

14 MR. LIDIYAK: Peter Lidiyak with API. You  
15 know, I think it's great to come to this resolution.

16 I want to point out that for a very long  
17 time, the industry, the liquids industry has collected  
18 mileage information, noting what commodities are moved  
19 by state, and we offered to provide that information  
20 five years ago when the original rule was put out and  
21 that information is available still. So I just want to  
22 make that point.

23 MS. FORD: Thank you. That concludes our  
24 Public statements. No one else on this side? Thank  
25 you.

1           Now we're ready for the vote. Agenda Item 1.  
2 We will be voting on --

3           MS. PARKER: Madam Chair?

4           MS. FORD: -- Updates -- I'm sorry. Yes, I'm  
5 going to separate them out. The Technical Pipeline  
6 Safety Standards Committee will vote first. Updates to  
7 Pipeline and Liquefied Natural Gas Reporting  
8 Requirements.

9           Is there a motion? Denise? Oh, I'm sorry.

10          MS. PARKER: This is Lisa Parker. I will  
11 make a motion that the proposed rule as published in  
12 the Federal Register and the Draft Regulatory  
13 Evaluations are technically feasible, reasonably cost  
14 effective, and practicable, with the following changes  
15 that were made as delineated in our meeting earlier  
16 today and the sections we addressed.

17          MS. FORD: Your name, please. I'm sorry. We  
18 didn't get your name.

19          MS. PARKER: I said Lisa Parker at the  
20 beginning.

21          MS. FORD: I'm sorry.

22          SPEAKER: Lisa, you are on the Liquid  
23 Committee, is that correct?

24          MS. PARKER: Yes.

25          SPEAKER: We're taking separate votes. So

1 since -- I'm sorry.

2 MS. FORD: We'll go to Liquid. Okay. Liquid  
3 first. Okay. Thank you.

4 Is there a second for Lisa's motion?

5 SPEAKER: Second.

6 MS. FORD: Thank you. Only the Liquid  
7 Committee. All in favor?

8 (Show of hands.)

9 MS. FORD: Opposed? Motion carries  
10 unanimously. Thank you.

11 Now the Technical Hazardous Pipeline Safety  
12 Standards Committee, Gas.

13 MR. COMSTOCK: Madam Chairman?

14 MS. FORD: I don't mind. Yes, I'm sorry.

15 MR. COMSTOCK: What she said for us.

16 MS. FORD: Very well. Thank you. That's  
17 good. All right. Is there a second? All in favor?

18 (Show of hands.)

19 MS. FORD: Opposed? Motion carries. Thank  
20 you. Yes, I'm sorry.

21 MR. PIERSON: Craig Pierson, Liquids. I was  
22 going to -- is there going to be an opportunity to  
23 comment on some of the other provisions that we didn't  
24 touch on? It got one brief comment. We can do it now  
25 or later.

1           The comment relates to the emergency response  
2 reporting and we fully support it. I think it's  
3 directed towards the liquids industry and we fully  
4 support the need to have procedures and get quick  
5 reporting out.

6           The comment we want to make for the record is  
7 that there is a huge amount of uncertainty with early  
8 reporting of spill volumes. With the best of  
9 intentions, you can underreport. With the best of  
10 intentions, you can over-report, and we hope that as we  
11 clarify the second update, that that uncertainty isn't  
12 punished.

13           MS. FORD: Thank you.

14           MR. SHELTON: Larry Shelton, Liquid Industry.  
15 With regard to the same provision, can someone clarify  
16 for us what emergency response phase means?

17           MR. LITTLE: We had a little bit of  
18 discussion about that in the Notice of Proposed  
19 Rulemaking. That was the exact language from NTSB's  
20 recommendation. There were some meetings with them.

21           I believe the discussion was within one or  
22 two days, but in the comments, there were some comments  
23 to clarify that and to clarify circumstances for Part  
24 2, the need for notifying about changes, significant  
25 changes, what is a significant change and give some

1 examples of that. So we have an objective to do that  
2 in the final rule. So hopefully we'll clarify that.

3 I don't have an exact answer today. Our  
4 subject matter experts are debating that now, but we'll  
5 try to address that.

6 MR. SHELTON: Okay. Larry Shelton again.  
7 Just to clarify the question, there are circumstances  
8 where there's an insidious small release that appears  
9 to be small at first. After a couple weeks of drilling  
10 and modeling the plume, we find out it's a much larger  
11 release and it goes immediately into the remediation  
12 mode and there's never really an emergency response  
13 phase and so we're just trying to clarify how that  
14 circumstance relates to this rule.

15 MS. HAMSHER: Those are few and far between.

16 MS. FORD: Let's hope so. Thank you. Our  
17 next agenda item is Periodic Updates of Regulatory  
18 References to Technical Standards and Miscellaneous.  
19 Mike.

20 Jeff's going to make a quick comment.

21 MR. WIESE: I know that we're testing your  
22 patience and that last rule ran a lot longer than we  
23 anticipated. So I beg your indulgence. Since we have  
24 you trapped here overnight anyway, you need to amortize  
25 your investment.

1           So we're going to ask Mike to make this  
2 pretty expeditious. It's my understanding this issue  
3 has been worked pretty hard. There's one issue we  
4 believe that's fairly controversial but we have a  
5 recommendation on that one, as well.

6           So I would just ask Mike, with apologies  
7 because I know he spent a lot of time on this issue, to  
8 hit the high points on this and then we'll let the  
9 committee discuss it and we'll move quickly to a vote.

10           MS. FORD: Thank you.

11           Agenda Item 2: Periodic Updates of Regulatory  
12           References to Technical Standards & Miscellaneous

13           MR. ISRANI: Good afternoon. I'm Mike  
14 Israni. I'm the Senior Technical Advisor and Manager  
15 of National Standards at PHMSA.

16           I guess since we have very limited time, if  
17 the committee cooperates, we can wrap this up in five  
18 minutes.

19           Okay. So we at PHMSA have been proactive in  
20 adopting consensus standards. We have over 60  
21 standards currently in our Code and when we put the  
22 proposed rule out, it got published on July 22nd, when  
23 we put the proposed rule out, 46 standards come out in  
24 new editions and out of 46, 40 standards were actually  
25 adopted in the NPRM. Six of them were not adopted,

1 meaning the current editions were not adopted because  
2 of input we got from our PHMSA representatives on those  
3 committees, that they were in conflict with our  
4 regulations.

5           And we also added one new standard in our  
6 periodic rulemaking and there was one standard which  
7 was partially adopted.

8           So what I have here in the slides is the --  
9 we had a total of 19 comment letters, as you can see,  
10 that we received on the proposed rule, and we  
11 consolidated them into eight topics and what I'm going  
12 to do in the subsequent slides is just go through those  
13 eight topics.

14           One is very material. In fact, I would  
15 suggest seven topics. Okay. So I'm going to go one by  
16 one on these topics where the comments came about. The  
17 first three topics that you see on this slide all refer  
18 to standards, the new editions.

19           The first one is the topic on the NPFA-58 and  
20 59, the new editions that we have not adopted, 2008  
21 edition. There were a number of reasons why we kept to  
22 our old 2004 edition on 58 and 59. We mentioned those  
23 in the proposed rule.

24           Some of the key points there were that we  
25 found that there were less criteria in the areas of

1 damage prevention, organization, distribution,  
2 maintenance, O&M requirements, etcetera, but then we  
3 also want to mention that there are requirements in the  
4 NFPA-58 and 59, the newer editions, which are superior  
5 over '92 regulations and we want to admit that.

6           But because of the controversy there on those  
7 standards, we propose to keep the same 2004 edition.  
8 So here, this advisory committee have options that we  
9 have listed here and you can have your own third  
10 option, first whether we should have, as we propose,  
11 2004 edition for NFPA-58 and 59 and go ahead what we  
12 have proposed and, secondly, whether we address this  
13 issue by a separate rulemaking and really do good  
14 analysis of 58 and 59, compare that with Part 192, and  
15 we can reference the ones which are appropriate  
16 standards.

17           The third option is the advisory committee  
18 decides.

19           MS. FORD: Jeff?

20           MR. WIESE: Having discussed this with the  
21 chair earlier, I think in the interest of time and with  
22 the indulgence of the committee, I think we'll run  
23 through all these and come back and then hit the ones  
24 that you want to vote on. Otherwise, I think we might  
25 be here until past dinnertime.

1 MR. ISRANI: Okay.

2 MS. FORD: Is there consensus?

3 MR. WIESE: Agreed.

4 MS. FORD: Okay. Thank you.

5 MR. ISRANI: Okay. The second issue is about  
6 the proposal not to adopt 2006 edition of NFPA-59A.  
7 59A standard is for the LNG regulations and here our  
8 reasons for not adopting that -- we actually partially  
9 adopted the 59A 2006 edition. We adopted ultrasonic  
10 inspections and seismic criteria, but we did not adopt  
11 the rest of the standard, the newer edition, because  
12 there were issues about the vapor releases from the  
13 processes and from the safety equipment.

14 There was some issues about the design  
15 spills. There were issues about the standard for  
16 impoundment sizing for snow accumulation or severe  
17 weather conditions. So we have representative on this  
18 59A Committee who's already in touch with the committee  
19 members to resolve those issues and as some of those  
20 issues are resolved, we intend to adopt the latest  
21 edition, but we have picked up two very important  
22 issues on seismic and ultrasonic.

23 The third comment was on the proposal that we  
24 chose not to adopt 2007 edition of -- actually, that's  
25 ASTM, not ASME, D2513 standard. This is American

1 Society of Mechanical Engineers, but it's ASTM, the  
2 Testing and Materials.

3 That we chose not to adopt because currently  
4 this committee is working on segregating these  
5 standards into different plastics. They are working on  
6 a separate standard for PA11 material. They are  
7 working on PA12 and they're going to take out the  
8 requirements for PVC, AVAs and other plastic materials  
9 into a separate standard.

10 Since this work is going on at the committee,  
11 our representative, Richard Sanders, recommended that  
12 we wait and not adopt the latest edition.

13 Okay. The next slide has three other issues.  
14 One is about the proposal to change Section 192.7 to  
15 adopt LNG Fire3 computer software. Now we had -- the  
16 reason comment came on this particular issue is because  
17 we referenced the latest title of the existing model  
18 that we have in the current regulation.

19 The contents of the model or everything else  
20 is the same but the title was changed by GRE. So we  
21 put that new title for LNG3 Fire. The comment came to  
22 relook at this LNG Fire3 computer model because there  
23 are superior models now available and there are some  
24 issues with this model, but that's not what we had  
25 proposed. So this is outside the scope of what we have

1 in the rulemaking and we could not make that change.  
2 So that's pretty straightforward, you know, and we  
3 intend to do in the future because we have our  
4 representative on the committee who is going to bring  
5 up this issue and going to see what committee is doing  
6 and accordingly we'll decide what we can do in 193  
7 regulations.

8           Item Number 5. This comment came from API to  
9 consider the most current API standards that have been  
10 updated in our NPRM. The rule came out in July and we  
11 had the comment period open for this one. We picked up  
12 until 28th of October and there were certain new  
13 editions which have come not only in this period but  
14 after the rule was already drafted and the clearance  
15 gone through the system.

16           We could not bring those new issues in our  
17 proposed rule since it has gone through clearance,  
18 through the entire system, all the way to OSD. So some  
19 of the new things that API had mentioned, they're all  
20 2008 issues which we could not bring up in the  
21 rulemaking. The rule was already in the clearance  
22 process. So we pick up those in the next edition of  
23 the rulemaking or we also intend to adopt certain new  
24 API standards which we're currently comparing and  
25 looking at and we may consider these changes along with

1 those in that rulemaking.

2           Next item is the one which I thought is not  
3 worth putting here. Someone recommended that all this  
4 should be put on the website because they're too  
5 expensive to purchase and we keep revising this every  
6 couple of years, but there are copyright laws and we  
7 cannot do that.

8           These are the two final issues. Number 7 is  
9 the important one. In fact, this is one issue. Let me  
10 tell you what happened. We proposed in our regulation  
11 that we remove this requirement from 192.11(c) which  
12 had given primacy to the standards over the  
13 regulations, meaning in case of conflict, standard  
14 prevails and we never ever have done in our regulations  
15 for any of the standard this primacy issue.

16           We always have in the regulations in case of  
17 conflict, the rule prevails, and the reason this change  
18 was made way back in '96 was because for propane gas,  
19 NFPA58 and 59, which is for the gas propane utilities,  
20 these are the data standards for propane and our 192 is  
21 focused more on natural gas, even though we include  
22 under 192.11 propane issues, but these standards really  
23 focus on the propane which has slightly different  
24 properties than natural gas.

25           So that's why it was recommended at that time

1 that because these standards cover entire system of  
2 propane, we should reference and have primacy over  
3 those standards, but we have noticed since '96, when we  
4 made this change, there have been quite a lot of issues  
5 with propane industry not looking at even our new  
6 requirements to report under the 192 regulations,  
7 including DIMP and OQ and all these new requirements,  
8 because they thought primacy was in the standard.

9           They had no reason to look into 192. That  
10 was one of the areas where we had problem. We had  
11 other areas, also. There were some issues within, for  
12 example, 59 had requirements and references to 58. We  
13 could not adopt 59 also separately because it  
14 references 58 latest edition, which we were not  
15 adopting.

16           So there were issues with this language that  
17 was there and we proposed to change that, but because  
18 of what we had predetermined to look at these standards  
19 more thoroughly and compare with our 192 regulations,  
20 we are considering to have good analysis done for both  
21 standards and compare with our regulations before we  
22 can make this requirement.

23           Now this is one other proposal we have. The  
24 committee has the option of going forward with the new  
25 editions and take exceptions to some of the things

1 there and our committee can suggest something else on  
2 that, but this is our take on the issue.

3 Gene, go ahead.

4 DR. FEIGEL: Mike, I have a generic question.  
5 I'm not going to speak to your particular actions or  
6 proposed actions or inactions with these standards.

7 I'm curious what PHMSA's policy, if you will,  
8 is in striking the balance between your obligations to  
9 meet OMB Circular and the National Technology and  
10 Transfer and Advancement Act, whatever it's called, and  
11 at the same time meeting your statutory obligations and  
12 the existing regulations.

13 I mean, I would hope that this is -- you're  
14 striking some balance. It's not totally ad hoc on the  
15 one hand and on the other hand I recognize that the  
16 situation's complicated and fluid and you can't have a  
17 40-page detailed procedure that you push the button and  
18 the answer drops out of the bottom, but I would hope  
19 you got some fairly consistent way of looking at these  
20 various obligations.

21 MS. FORD: Jeff, are you commenting?

22 MR. WIESE: Yes, I would like to address  
23 Gene's and then, if we can, we'll let Mike finish  
24 Number 8 and then we'll just come back and do  
25 everything, but I think it's an important question. So

1 with your permission?

2           The National Technology Transfer and  
3 Advancement Act and OMB guidance, you know, tells all  
4 the agencies that where existing standards exist and  
5 they meet the regulatory objectives, there should be a  
6 deference paid to those.

7           I would think that most of the members of the  
8 committee who've known this for awhile, and I know you  
9 know this, too, Gene, we've adopted over 60 or I forget  
10 the exact number, but over 60 consensus standards. So  
11 I think we're a big fan of the national consensus  
12 standards to provide detailed guidance to operators.

13           We sit on many of the committees and as long  
14 as we and our state partners are sitting on the  
15 committees, I'm feeling a lot better about them, you  
16 know, but there are a lot of committees out there and  
17 it's hard for us all to stay on there. So there is a  
18 public process at the end of the day where we bring  
19 that back and give it to the public.

20           I think, in general, we've demonstrated a  
21 preference for consensus standards over prescriptive  
22 requirements and a lot of that is because it's a lot  
23 easier to move and incorporate changes to a consensus  
24 standard and they can be far more detailed.

25           We have increasingly focused on a more

1 performance-oriented style of regulation. The detail  
2 comes out in a lot of these consensus standards. So I  
3 can't give you a cut and dried answer, but I would say  
4 we have a strong preference for the use of national  
5 consensus standards that are developed in accordance  
6 with ANSI guidance and all of that.

7 MS. FORD: Thank you. Mike, you may  
8 continue.

9 MR. ISRANI: Okay. And the final issue, in  
10 this NRPM, we had not only updated reference standards,  
11 but we had picked up some other miscellaneous changes.

12 GPTC is a committee where PHMSA and state  
13 members also participate, along with the industry.  
14 They produce guidance and they review our 192  
15 regulations on a regular basis and they recommend  
16 periodically through petition of certain corrections  
17 and changes to the rulemaking.

18 So in this proposal, we had picked up a few  
19 of those GPTC petitions and this 192.557(c) was one of  
20 them which had some problems and this is what we  
21 noticed in the comments.

22 It was about pressure testing requirement for  
23 low stress pipelines when they're operating their  
24 systems and GPTC had indicated that similar probation  
25 was allowed for high stress pipeline and it should be

1 lower for the low stress pipeline, as well. But there  
2 were some issues because there was other sections of  
3 192 which was preventing from doing this. So what we  
4 noticed as we went through this further that there are  
5 other sections in relation to 557(c) which need to be  
6 changed but GPTC had not proposed.

7           So what we intend to do is go back to GPTC  
8 and tell them that this is not the only change that,  
9 you know, need to be changed, that there are a couple  
10 of other sections which need to be changed, and I  
11 believe what I hear from our discussion with some other  
12 folks, GPTC already heard that and they are considering  
13 that action, but we have members on the committee who  
14 will bring this up.

15           So we're going to table this one, also,  
16 consider tabling this because it is not clear on what  
17 exactly, you know, this will achieve. It will only  
18 cause more confusion if we go forward with this change.

19           So these are the only eight categories where  
20 we had comments on. So I can go back to the first one.  
21 Okay. Or broader, you know, because we already told  
22 you what we intend to do on some of these issues where  
23 most of the comments came about and so all the comments  
24 are open for advisory committee to give recommendation.

25           MS. FORD: Discussion? Yes?

1 DR. LEMOFF: Ted Lemoff, NFPA. I just felt I  
2 had to say something. I want to say that NFPA really  
3 thinks that PHMSA does, probably for all the agencies,  
4 one of the best jobs in keeping current on consensus  
5 standards and we truly appreciate that.

6 Obviously there is some issues that have to  
7 be resolved and that's perfectly fine. If I can just  
8 separate them, with regard to 59A, the second item,  
9 while we are disappointed, we don't think this is  
10 something to fall on your sword about, so to speak. I  
11 would point out that this committee is starting a new  
12 cycle. We're having our first meeting in February. We  
13 have received proposals from the PHMSA rep on the  
14 committee and we will either say yes, you're right, or  
15 say you're wrong and in great detail explain why in the  
16 public record, and we would hope that either way we can  
17 resolve this with the next edition.

18 We've been going through this for a couple of  
19 editions. There have been a number of issues. I mean,  
20 for a number of reasons that -- and I would politely  
21 say I don't agree with all your opinions, but  
22 nevertheless let's move forward and try to resolve this  
23 because we've always worked very well together.

24 With regard to what's called the primacy  
25 issue which includes Number 1, I believe that DOT has

1 expressed there is a real problem because it's not  
2 clear to many of the smaller operators and propane  
3 systems what is applicable to them and NFPA recognizes  
4 that fully.

5 I recommend that this be dealt with in a  
6 separate rulemaking, as Mike recommended. I think the  
7 issue is the structure. Basically, Part 1A applies to  
8 the pipelines and it certainly should. The propane  
9 tanks associated should come under NFPA-58 and I think,  
10 now having said that, that's the majority of it. There  
11 are some little nitty-gritty issues, like pressure  
12 regulation, that could cause people's furnaces to shut  
13 off in the winter that have to be addressed.

14 I think we've had much input and Mike has had  
15 much input from many sources on this and this can be  
16 worked through and I'd look forward to working with you  
17 as necessary to resolve this and make it right.

18 Thank you.

19 MS. FORD: Thank you, Ted. Yes?

20 MR. KUPREWICZ: Rick Kuprewicz, Public  
21 perspective.

22 First of all, I want to compliment PHMSA. I  
23 know that you got a lot on your agenda, but this is the  
24 kind of example, you know, not saying who's right or  
25 wrong here, and I know a lot of consensus groups are

1 very conscientious people and all that, but there is a  
2 regulatory process that requires the involvement of  
3 public vetting beyond just consensus standards.

4 I keep hearing about how Fed jurisdiction on  
5 pipeline issues preempts and that's an important  
6 concept. I think it's good that the parties are saying  
7 rather than get in a war is trying to understand our  
8 discussions and the differences and work them out.

9 I think it's important that wherever you end  
10 up finalized, that you keep that public vetting process  
11 as part of the regulatory issue. So I want to support  
12 that. I understand the differences here.

13 I don't know who's right, but I do understand  
14 that the public wants to be represented at the table,  
15 not just me but other players, so that's important, and  
16 I know there's a lot on your agenda. This issue should  
17 be able to reach resolution fairly quickly. I'm not  
18 speaking for the rest of the Technical Committee  
19 members, but I understand a lot of them are trying to  
20 do the right thing.

21 MS. FORD: Thank you.

22 MR. KUPREWICZ: Thank you.

23 DR. FEIGEL: I would just remind my colleague  
24 across the table that with few exceptions, the U.S.  
25 consensus standard process is open directly to public

1 representation, as well.

2 MS. FORD: Thank you. Donald?

3 MR. STURSMA: I stayed quiet through one  
4 topic.

5 MS. FORD: You're right. You did.

6 MR. STURSMA: I've gotta work my way from the  
7 bottom up on this.

8 First of all, on the MEOP issue, I understand  
9 that you're going to withdraw that for further  
10 consideration and I'd like to make one point. It's  
11 actually an area where I'm most invested, believe it or  
12 not. I think I was in error.

13 When I filed my comments, I pointed out that  
14 the Cert-2 Committee had already done some work in this  
15 area. I only pointed to its work on 192.557, but that  
16 work, I did not mention that there were also some  
17 related changes that we proposed in .619 and .621, and  
18 you have to kind of take them as a package for it to  
19 work.

20 So for the people who are going to have the  
21 joy of working on this in the future and want to refer  
22 to the Cert materials, don't just look at .557, look at  
23 some of the other areas, as well, because they do kind  
24 of tie together, and I don't really have a preference  
25 on whether GPTC wants to take another look at it or

1 whether you want to reconvene Cert and do something  
2 like that. I don't have a strong preference there. If  
3 GPTC said does it, it will probably mean less work for  
4 me because I was on the Cert Committee. So I do have,  
5 I guess, something of an interest.

6 On the item on the primacy of NFPA-58 and 59,  
7 that's an issue. I think I also agree that I think it  
8 needs to go back to the drawing board. Not only do I  
9 think a lot more discussion needed, I really question  
10 whether this is an issue properly raised in a periodic  
11 update rulemaking.

12 Regardless of how you feel one way or another  
13 on the subject, I just don't feel it's an appropriate  
14 subject for this rulemaking and it should be deferred  
15 to a separate proceeding.

16 On the adoption of industry standards  
17 themselves, I have no problem with the adoption of  
18 industry standards, recognizing we have some issues  
19 with these particular standards, but there's one thing  
20 that's starting to bug me a little bit and specifically  
21 it has to do with ASME-2513.

22 I mean, there's issues with them that have  
23 been going on for 10 years, maybe longer than now, and  
24 at some point you have to ask whether, despite the  
25 strong and deserved preference for industry standards,

1 there comes a point where is this system not working?  
2 Maybe we need to do something else because we're not  
3 filling some regulatory objectives through the industry  
4 standard process, and the ASME-2513 is getting to that  
5 point where if you want to get something done, you may  
6 have to go outside that process.

7 That is all.

8 MS. FORD: Mr. Wunderlin?

9 MR. WUNDERLIN: Yeah. I'm going to follow up  
10 on Don's comment on Item Number 3, D2513, and maybe  
11 I'll propose something that could be helpful here.

12 We've got new materials now, new plastic  
13 materials. We've got new design factors proposed and  
14 have gone through the process and because we haven't  
15 adopted the newer standards, we're kind of left out  
16 there with some very expensive alternatives right now  
17 that we're taking a look at.

18 I'll give you an example. The ultraviolet  
19 light standard that is in the ASTM D2513 2009 edition  
20 allows for outdoor storage of plastic pipe, yellow pipe  
21 for three years, black pipe for 10 years, the old  
22 standard two years.

23 There were several companies that purchased  
24 excess supply of plastic pipe during the Katrina times.  
25 Some of us that weren't affected by Katrina have

1 stockpiles of plastic pipe that we expected to use  
2 because of the growth and we were caught with the  
3 economy where it is right now. Some companies are  
4 approaching that two years. We're going to have to  
5 dispose of perfectly good pipe because we're not  
6 adopting the new standard that allows us to store that  
7 pipe in the open for three years to 10 years.

8           What I would like to propose is that PHMSA  
9 selectively in the short term adopt the 2009 edition  
10 for ultraviolet light standard that allows for the  
11 three-year storage and the 10-year storage and keep us  
12 from throwing hundreds of thousands of dollars worth of  
13 pipe away, if you could give us that relief.

14           I think another easy thing to adopt from the  
15 2009 edition, and I think PHMSA supports this, is the  
16 print line identification that reduces the distance  
17 from five feet to two feet on the marking of the pipe,  
18 and if we could just adopt those two sections,  
19 paragraphs, from the 2009 edition, it would be very  
20 helpful and save the industry, the distribution  
21 industry a lot of money.

22           We could take a look at long term new  
23 standards for the new materials, PE pipe, and the  
24 design standard. If we could take a look at long term  
25 adopting those sections, too, it would be helpful.

1 MS. FORD: Mike, you wanted to respond?

2 MR. ISRANI: Yes, I would like to respond to  
3 this. First of all, we recognize that the new standard  
4 of ASTM 2513 has the longer period for the plastic pipe  
5 than the older edition and I recognize that some of the  
6 operators will be in the condition where they'll have  
7 to either dump that plastic because of having kept the  
8 old edition of the regulation, of the standard, but we  
9 still have options, without going to the new edition,  
10 because there are a number of issues.

11 We always have option that the industry will  
12 decide the process because there are only a few  
13 operators who may have this condition. We can always  
14 give those like special permit. We could always give  
15 stay of enforcement and we can always consider a  
16 separate technical standard of the requirement. So we  
17 do have options that we could consider, but adopting  
18 the latest edition would be hard because there are too  
19 many other issues that we have problems with.

20 MR. WUNDERLIN: What I'm asking for is just  
21 two paragraphs, not the whole edition, and I think, you  
22 know, subsections of the standard can be adopted by  
23 amendment, periodic updates, it's my understanding.

24 MR. ISRANI: Yeah. Jim, there's another  
25 issue, also. This 2009 edition, which had this

1 improvement, came out after we had already drafted the  
2 proposed rule. One other thing. We did learn during  
3 the process of clearance that this issue may come up,  
4 but the proposal was already issued and we always had  
5 this in mind that for certain cases, we could always  
6 consider waiver requests because there are too many  
7 other issues that were bigger problems and also since  
8 the standard is being broken up into so many different  
9 standards, segregating plastic materials we thought  
10 won't be appropriate for us to take this new edition.

11 MR. WUNDERLIN: So you're telling me no, huh?

12 MS. FORD: He's telling you to do a waiver.

13 MR. WIESE: I think we're always open to the  
14 advice of the committee members. So I appreciate that  
15 you can go on record.

16 I will quickly add, however, that Richard  
17 Sanders fortunately is here. You may have seen  
18 Richard. He's out there waiting for the reception  
19 we're delayed on, but I'm trying to be safe. Richard  
20 is a fairly well-known expert in this area, but he also  
21 works very closely with our state partners who this has  
22 a direct and immediate impact on.

23 I think he's got a pretty clear sense of  
24 where our state partners are on these issues. So  
25 certainly take your recommendation, Jim, under

1 advisement and then invite you to talk also with  
2 Richard. I'm not current on the sense from the NAPSR  
3 as a whole on that issue either.

4 MS. FORD: Thank you. Any other discussion?  
5 (No response.)

6 MS. FORD: Mike, are you finished with your  
7 report?

8 MR. ISRANI: I'm done. We can go for a vote.

9 Vote - Agenda Item 2: Committee Discussion

10 MS. FORD: Yes. Is there a motion to vote on  
11 Periodic Update of Regulatory References on Technical  
12 Standards? We're going to do the Technical Standards  
13 Pipeline first and then Safety and Hazardous. All  
14 right. Denise?

15 MR. WIESE: Be simpler if we say we'll go to  
16 the Liquid Committee or the Gas Committee. We have  
17 these long names for these things.

18 MS. FORD: Absolutely. Liquids.

19 MR. WIESE: Liquid Committee.

20 MS. FORD: Is there a motion from the Liquid  
21 Committee?

22 MR. KUPREWICZ: I think I'm going to craft a  
23 motion --

24 MS. FORD: Yes.

25 MR. KUPREWICZ: -- that approves what Mike

1 presented.

2 MS. FORD: Yes.

3 MR. KUPREWICZ: I'll make that motion.

4 MS. FORD: Is there a second? Rick, you must

5 --

6 MR. KUPREWICZ: You want me to read it?

7 MS. FORD: Yes. Read it into the record.

8 MR. KUPREWICZ: I'm sorry for making that

9 motion.

10 MS. FORD: The three choices.

11 MR. KUPREWICZ: I don't have --

12 MS. FORD: One of the three.

13 MR. KUPREWICZ: I don't have it in front of

14 me.

15 MS. FORD: One of the three.

16 MR. KUPREWICZ: I apologize to the committee.

17 MS. FORD: Okay.

18 MR. KUPREWICZ: You got it in front of you

19 here?

20 MS. FORD: Here it is.

21 MS. HAMSHER: There's a tab, Rick.

22 MR. KUPREWICZ: A tab?

23 MS. FORD: You want to pass it around to him?

24 Did you find it?

25 MR. KUPREWICZ: There we go. You're trying

1 to train the untrainable, you understand?

2 MR. MOHN: Madam Chairman?

3 MS. FORD: Yes?

4 MR. MOHN: I guess I thought the discussion  
5 was around adopting what Mike said and I guess that  
6 conversation was over such a long period of time, I'd  
7 like to have some clarity as to where there are options  
8 here, which options you are recommending. Perhaps  
9 that's what Rich plans to do with his motion and I'd  
10 just say by way of example on Item 7, to the extent  
11 that they're going to hold that issue until rulemaking,  
12 I'd just like to be clear that in fact that's what's on  
13 the table.

14 So if you can provide some clarification for  
15 all of those with options, I think that'd be helpful  
16 perhaps to the motion as well as to the ultimate  
17 approval.

18 MR. WIESE: If I can just quickly address  
19 that, since we're not doing what we did last time which  
20 seemed to me to facilitate this discussion a lot and so  
21 some day we ought to have a broader discussion about  
22 that, too complex for now, what we can do is tell you  
23 what we're considering, and you understand the parlance  
24 by now.

25 We can't tell you what we intend to do. We

1 can tell you what we're considering doing and we're  
2 asking for your advice on what we're thinking about  
3 doing. Is that obscure enough? Okay?

4 MS. FORD: Obscure enough.

5 MR. WIESE: So, Mike, you want to run through  
6 these and just quickly highlight what we're thinking?

7 MR. ISRANI: Should we go from the first one?

8 MR. WIESE: Cover them all.

9 MR. ISRANI: Okay. All right. I'll just --

10 MS. FORD: One is no change, no change.

11 MR. ISRANI: On the first one where the new  
12 editions are 58/59, we are considering staying with our  
13 current requirement of 2004 edition because we are  
14 considering --

15 MS. FORD: You don't have to go through.  
16 Just say no change, Mike.

17 MR. ISRANI: Okay.

18 MS. FORD: No change, no change.

19 MR. ISRANI: So no change in the current  
20 proposal.

21 MS. FORD: All right. Okay. Number 2.

22 MR. ISRANI: Number 2, NFPA-59A, we have  
23 partially adopted. So no change here, as well.

24 MS. FORD: Okay. 3?

25 MR. ISRANI: Number 3, also, we don't have

1 any change here because of the other issues there.

2 MS. FORD: 4?

3 MR. ISRANI: Number 4, this was outside the  
4 scope, so there's no need to have any change there.

5 MS. FORD: All right.

6 MR. ISRANI: Number 5, also, these  
7 recommendations came after the proposed rule was  
8 written and we are considering in the future with the  
9 new standards which will come out probably faster than  
10 this next periodic update rulemaking. So we could  
11 consider during that time. So no change.

12 And Number 6 is obvious. We cannot put that  
13 on the website, all the standards.

14 Number 7. Number 7 is where we want to  
15 consider doing a good analysis of these standards with  
16 192 and once we have that in place, we could reference  
17 specific sections of those standards. That's what  
18 we're considering, but, you know, that way, I think  
19 most controversy would be gone. This is what we're  
20 considering. So that will be the Number 1.

21 MS. FORD: Okay.

22 MR. ISRANI: Okay. And Number 8 is also the  
23 first one, the GPTC will be probably petitioning this  
24 because they also recognize the error here. So these  
25 are what we're considering.

1 MS. FORD: Rick, you got that?

2 MR. KUPREWICZ: Here's what I heard and I'll  
3 shut up. Calling for a motion in which we accept the  
4 proposed concepts presented by Mike and what I'm also  
5 hearing is that there are differences between the  
6 regulation and some of the proposed committees, that I  
7 heard that they were going to work out those  
8 differences. That's my motion. It may not be what  
9 everybody wants.

10 MS. FORD: Is there a second? Lisa?

11 MS. PARKER: So we clarify that motion?

12 MS. HAMSHER: I think the motion is that we  
13 accept the proposed rule as technically feasible,  
14 reasonable, cost effective, and practical, subject to  
15 our urging of PHMSA to take into consideration those  
16 issues that have been commented on and we urge you to  
17 do so.

18 MS. FORD: Second? Discussion?

19 (No response.)

20 MS. FORD: Gas Committee vote first, please.  
21 All in favor? I'm sorry. Liquids. Liquids seconded.  
22 Okay. Liquids. All in favor, Liquids.

23 (Show of hands.)

24 MS. FORD: Opposed? Motion carries. Gas?  
25 Who did it the last time?

1 MR. WIESE: We have a motion on the Gas side?

2 MS. FORD: Yes, same. Is there a second? Is  
3 there a second?

4 MR. DRAKE: I'll second.

5 MS. FORD: Okay. Any seconds. All in  
6 favor?

7 (Show of hands.)

8 MS. FORD: Opposed? Motion carries.

9 DR. LEMOFF: I would like to be recorded as  
10 abstaining in accordance with NFPA policy that we not  
11 vote on issues relating to NFPA standards.

12 MS. FORD: Thank you. Consider yourself  
13 recused. Abstained, rather. The motion carries.

14 Well, we have come to the -- all right. Now  
15 we will have our Introduction of our New Administrator  
16 by Jeff Wiese.

17 Introduction of New PHMSA Administrator

18 MR. WIESE: You know, I could have invited  
19 Cynthia to tomorrow's session. That might have been a  
20 lot more fun for her. But I hope you'll see that -- by  
21 the way, this committee does I really consider  
22 oftentimes heroic service for the agency by slogging  
23 through these details. They're often onerous and there  
24 are competing points of view, but I very much  
25 appreciate them. I'm not being trite. I'm not trying



1 committee and I am quite grateful that you guys did not  
2 get finished with all of your agenda items before I got  
3 here. I have to say I've been on the job about three  
4 weeks. This is probably the longest I've gotten to sit  
5 in one place since I started and it was a relief of  
6 sorts.

7           But more than that, it was a great enjoyment  
8 for me to see constituents from all across the pipeline  
9 safety area talking together, working towards consensus  
10 and getting there.

11           I'm quite encouraged by just hearing all of  
12 you talk and discuss and come to almost all the  
13 unanimous votes here. I feel much better having  
14 accepted this job knowing that I have a wonderful group  
15 like this already in place, the agency does. I  
16 appreciate that.

17           One of the first things that I did as  
18 administrator is sign off on two of the rules that you  
19 had just finished, DIMP and Control Room. Thank you  
20 for that. It made me look like I was doing something  
21 other than running around, and it was great to hear  
22 your discussion on the two rules today. I look forward  
23 to signing those when they come to me shortly.

24           One thing I do know is brevity. So I  
25 understand that I'm between you and the reception. So

1 I'm going to stop there and say I look forward to  
2 talking with you all over the next hour or so and  
3 getting to meet you and working with you over the  
4 period ahead.

5 Thank you so much for your efforts.

6 (Applause.)

7 MS. FORD: Jeff, do you have any closing  
8 remarks? Do we have any closing remarks from our  
9 Executive Director?

10 Wrap-Up and Adjourn

11 MR. WIESE: I know better than to say  
12 anything after my Administrator and to get between you  
13 and a reception.

14 I invite you all to join us. Again, I thank  
15 you. Tomorrow will be a fun day, trust me. I'm really  
16 looking forward to it. I'm sorry. I don't know if  
17 Carl's still on there. He's been very quiet, if he  
18 was. Carl?

19 (No response.)

20 MR. WIESE: Okay. He's not. So he had to  
21 vote. The reason he's not here is he's a county  
22 commissioner and he's learning a lot in that role, but  
23 we're thankful for that.

24 So any rate, I invite you all to join us.  
25 Really, please stick around, if you can, and come out

1 and just take a few moments to chat, introduce yourself  
2 to Cynthia.

3 Thank you again. What time do we convene  
4 again tomorrow, John?

5 MS. FORD: 9.

6 MR. WIESE: 9? 9 o'clock. I believe it's in  
7 this same room. So we'll see you tomorrow morning for  
8 a more fun day.

9 MS. FORD: This meeting stands adjourned.

10 (Whereupon, at 5:35 p.m., the meeting was  
11 adjourned, to reconvene tomorrow morning, Thursday,  
12 December 10th, 2009, at 9 o'clock a.m.)

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**REPORTER'S CERTIFICATE**

This is to certify that the attached proceedings  
before:

**U.S. DEPARTMENT OF TRANSPORTATION  
Pipeline and Hazardous Materials Safety Administration  
Technical Pipeline Safety Standards Committee  
Technical Hazardous Liquid Pipeline Safety Standards In**

the Matter of:

**JOINT COMMITTEE MEETING**

Were held as herein appears and that this is the  
original transcript thereof for the file of the  
Department, Commission, Board, Administrative Law Judge  
or the Agency.

Further, I am neither counsel for or related to any  
party to the above proceedings.

*Debra Derr*  
Official Reporter

Dated: December 7, 2010