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

Administrator

1200 New Jersey Avenue, SE.
Washington, DC 20590

AUG - 4 2011

The Honorable Deborah A.P. Hersman
Chairman
National Transportation Safety Board
490 L'Enfant Plaza East, SW
Washington, DC 20594

Dear Chairman Hersman:

I am writing you this letter to provide an update on the status of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) open National Transportation Safety Board (NTSB) safety recommendations for pipeline safety. PHMSA takes pipeline safety and the NTSB safety recommendations seriously and has been working hard to fulfill the requirements of the six (6) open and classified NTSB safety recommendations as described below. In addition, we are preparing a separate response to NTSB on our planned actions for the two (2) unclassified safety recommendations, P-11-1 and P-11-2.

Safety Recommendation P-01-2
The safety recommendation P-01-2 recommends PHMSA "*require that excess flow valves be installed in all new and renewed gas service lines, regardless of a customer's classification, when the operating conditions are compatible with readily available valves.*" PHMSA published a final rule on Gas Distribution Integrity Management Program on December 4, 2009. This rulemaking addresses the congressional mandate in the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 (PIPES Act of 2006) on integrity management of gas distribution pipelines and excess flow valve (EFV) requirements for single-family residences.

In consideration of future rulemaking on larger application EFVs, PHMSA established a group of stakeholders, including representatives from NTSB, Fire Chiefs' and State Fire Marshals' Associations, to share their understanding, knowledge, experience, and capability with respect to the installation, operation, and maintenance of EFVs in service lines supplying commercial, industrial, and multi-residential natural gas users. Based on information provided by stakeholders, additional research and data evaluation, PHMSA has prepared an Interim Report (available in the EFV docket). This report includes stakeholder perspectives, operators' experience, the current availability of EFVs, technical challenges to design and operation of EFVs on remaining customers' service lines and our proposed next steps. PHMSA has drafted an Advanced Notice of Public Rulemaking (ANPRM) seeking comment on issues such as: technical feasibility, curb valve installations as EFV alternatives; benefit and cost factors; and whether to establish, enhance, and/or adopt technical standards or guidance for the EFVs. In addition, we are also seeking responses from operators to questions regarding their experiences,

practices, benefits and costs in regard to excess flow valves. We expect this ANPRM to publish in the fall 2011.

Safety Recommendation P-04-1

The safety recommendation P-04-1 recommends PHMSA "*remove the exemption in regulations that permits pipe to be placed in natural gas service after pressure testing when the pipe cannot be verified to have been transported in accordance with the American Petroleum Institute's (API) recommended practice RP5L1.*" Removing the exemption currently in the regulations will be addressed as part of a Miscellaneous Rulemaking through Notice of Proposed Rulemaking (NPRM), which PHMSA anticipates will be published in the Federal Register by the end of August 2011. The NPRM will have a 60-day public comment period. PHMSA estimates it will take approximately 9 months to publish a final rule following completion of the public comment period in summer of 2012.

Safety Recommendation P-04-3

The safety recommendation P-04-3 recommends PHMSA "*evaluate the need for a truck transportation standard to prevent damage to pipe and, if needed, develop the standard and incorporate it into regulations for both natural gas and hazardous liquid line pipe.*" PHMSA continues to be actively engaged in the technical committee meetings related to the standard for truck transportation being developed by the API. At the technical committee meeting in June 2011, it was determined that the truck transportation standard will have to be re-balloted again. Technical issues identified will be addressed and discussed at the next technical meeting in January 2012. It is unlikely the standard will be published until the middle of 2012. After the API standard has been published, PHMSA will review the standard and if appropriate, propose a rulemaking for incorporation by reference into the Federal regulations. The expected date of completion at this time is summer 2013.

Safety Recommendation P-09-1

The safety recommendation P-09-1 recommends PHMSA "*conduct a comprehensive study to identify actions that can be implemented by pipeline operators to eliminate catastrophic longitudinal seam failures in electric resistance welded (ERW) pipe; at a minimum, the study should include assessments of the effectiveness and effects of in-line inspection tools, hydrostatic pressure tests, and spike pressure tests; pipe material strength characteristics and failure mechanisms; the effects of aging on ERW pipelines; operational factors; and data collection and predictive analysis.*" On May 26, 2011, PHMSA selected Battelle Memorial Institute to conduct a comprehensive study identifying actions that can be implemented by pipeline operators to eliminate catastrophic longitudinal seam failures in ERW pipe. Results from this study are expected in November 2012 and will influence how PHMSA addresses NTSB Recommendation P-09-02. For more information, see the "Comprehensive Study to Understand Longitudinal ERW Seam Failures" public project page at http://primis.phmsa.dot.gov/matrix/PrjHome.rdm?prj=390. In addition a public meeting

held on July 20, 2011 expanded the study's focus and stakeholder awareness beyond low frequency ERW to all potential threats in seam welds. For more information on the July meeting "Managing Challenges with Pipeline Seam Welds" see http://primis.phmsa.dot.gov/meetings/MtgHome.mtg?mtg=71.

Safety Recommendation P-09-2
The safety recommendation P-09-2 recommends that "*based on the results of the study from NTSB Open Recommendation P-09-1, PHMSA implement the actions needed.*" Following the comprehensive study currently underway by the Battelle Memorial Institute, PHMSA will determine how to address the requirements of this recommendation. The results from this study are expected by November 2012 and PHMSA anticipates it will take an additional 12 to 18 months to fully implement the actions needed.

Safety Recommendation P-09-3
The safety recommendation P-09-3 recommends PHMSA "*initiate a program to evaluate pipeline operators' public education programs, including pipeline operators' self-evaluations of the effectiveness of their public education programs and provide the NTSB with a timeline for implementation and completion of this evaluation.*" PHMSA and State pipeline safety agencies initiated public awareness effectiveness inspections in the first quarter of FY 2011. In addition, we are training additional Federal and State inspectors on the inspection forms and how to conduct public awareness effectiveness inspections. Our plan is to complete all Federal public awareness inspections, including Interstate Agent Agreement inspections, by December 31, 2012. We are encouraging States to develop an inspection plan and conduct their public awareness inspections, if possible, in a similar timeframe.

I hope you find this information helpful. If you have any questions or require additional information, please do not hesitate to contact me at 202-366-4433.

Regards,

Cynthia L. Quarterman