



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

1200 New Jersey Ave., S.E.
Washington, DC 20590

October 18, 2017

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The U.S. Department of Transportation is submitting the enclosed report titled, "Inspection Finding Notifications," in accordance with Section 7 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, Public Law 114-183 (the Act).

The Act directed the Pipeline and Hazardous Materials Safety Administration (PHMSA) to provide to owners and operators a post-inspection briefing within 30 days and written preliminary findings within 90 days of pipeline safety inspections. The Act further directed the Administrator to report to Congress the number of times one of these deadlines was exceeded and the length of time by which the deadline was exceeded. The inspection and notification requirements also apply to PHMSA's State partners.

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

Sincerely,

Drue Pearce
Acting Administrator

Enclosure



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

1200 New Jersey Ave., S.E.
Washington, DC 20590

October 18, 2017

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

Dear Congressman DeFazio:

The U.S. Department of Transportation is submitting the enclosed report titled, "Inspection Finding Notifications," in accordance with Section 7 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, Public Law 114-183 (the Act).

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Sincerely,

Drue Pearce
Acting Administrator

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U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
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1200 New Jersey Ave., S.E.
Washington, DC 20590

October 18, 2017

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

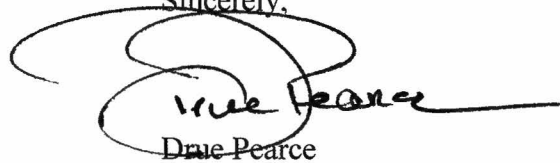
Dear Mr. Chairman:

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Sincerely,



Druce Pearce
Acting Administrator

Enclosure



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

1200 New Jersey Ave., S.E.
Washington, DC 20590

October 18, 2017

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

Dear Congressman Pallone:

The U.S. Department of Transportation is submitting the enclosed report titled, "Inspection Finding Notifications," in accordance with Section 7 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, Public Law 114-183 (the Act).

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Sincerely,

Drue Pearce
Acting Administrator

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

1200 New Jersey Ave., S.E.
Washington, DC 20590

October 18, 2017

The Honorable John Thune
Chairman
Committee on Commerce, Science, and Transportation
United States Senate
Washington, DC 20515

Dear Mr. Chairman:

The U.S. Department of Transportation is submitting the enclosed report titled, "Inspection Finding Notifications," in accordance with Section 7 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, Public Law 114-183 (the Act).

The Act directed the Pipeline and Hazardous Materials Safety Administration (PHMSA) to provide to owners and operators a post-inspection briefing within 30 days and written preliminary findings within 90 days of pipeline safety inspections. The Act further directed the Administrator to report to Congress the number of times one of these deadlines was exceeded and the length of time by which the deadline was exceeded. The inspection and notification requirements also apply to PHMSA's State partners.

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Sincerely,

Drue Pearce
Acting Administrator

Enclosure



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
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1200 New Jersey Ave., S.E.
Washington, DC 20590

October 18, 2017

The Honorable Bill Nelson
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate
Washington, DC 20510

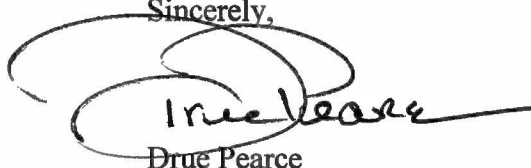
Dear Senator Nelson:

The U.S. Department of Transportation is submitting the enclosed report titled, "Inspection Finding Notifications," in accordance with Section 7 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, Public Law 114-183 (the Act).

The Act directed the Pipeline and Hazardous Materials Safety Administration (PHMSA) to provide to owners and operators a post-inspection briefing within 30 days and written preliminary findings within 90 days of pipeline safety inspections. The Act further directed the Administrator to report to Congress the number of times one of these deadlines was exceeded and the length of time by which the deadline was exceeded. The inspection and notification requirements also apply to PHMSA's State partners.

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Sincerely,



Drue Pearce
Acting Administrator

Enclosure

Report: Inspection Finding Notifications
PIPES Act of 2016, Section 7 Requirements

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

Overview:

Section 7 of the Protecting our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2016 directs the Pipeline and Hazardous Materials Safety Administration (PHMSA) to provide a post-inspection verbal out-brief to owners and operators of pipeline facilities within 30 days of a Unit Inspection and Integrated Operator Inspection and to issue written preliminary findings within 90 days following the completion of the inspection. The directive in Section 7 related to post-inspection notification applies to PHMSA's State partners certified under 49 U.S.C. § 60105. This report documents inspections that have not met those stipulations.

PHMSA, in response to Section 7 of the PIPES Act of 2016, has revised an internal policy, which dictates the collection of data to report on this requirement. This report lists any exceptions to this requirement grouped by each PHMSA Region. Each entry includes the Operator ID, Operator Name, Inspection Start Date, Inspection Completion Date, Verbal Exit Briefing Date, Written Preliminary Finding Date and the total days exceeding 90 between the Inspection Completion Date and the Written Preliminary Finding Date.

Beginning in fiscal year 2017, PHMSA's Office of Pipeline Safety shifted the planning and execution of regulated operator inspections from a calendar year cycle to a fiscal year cycle. In order to meet the requirement to provide Congress with the annual report by the recurring October 1 deadline, PHMSA is providing data through May 31, 2017, to afford time for compilation, analysis and review. The data contained in this report is from October 1, 2016, through May 31, 2017. Data in subsequent reports will cover the period June 1 through May 31 for a complete yearly summary.

Inspection Finding Notifications from October 1, 2016, through May 31, 2017:

PHMSA Region Summary:

Region: Eastern – All notifications to operators were conducted within the prescribed time frame.

Region: Central – All notifications to operators were conducted within the prescribed time frame.

Region: Southern – All notifications to operators were conducted within the prescribed time frame.

Report: Inspection Finding Notifications
PIPES Act of 2016, Section 7 Requirements

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

Region: Southwest – All notifications to operators were conducted within the prescribed time frame.

Region: Western – One operator, Phillips 66, LLC, did not receive Written Preliminary Findings within 90 days of the completion of an inspection. The inspection was conducted from January 11, 2016, through December 9, 2016, and encompassed Phillips 66 pipelines and facilities in Oklahoma, Texas, Colorado, and Wyoming. The details are listed below:

Operator ID	Operator Name	Inspection Start Date	Inspection Completion Date	Verbal Exit Briefing	Written Preliminary Findings	Total Days over 90
31684	Phillips 66 Pipeline, LLC	1/11/2016	12/9/2016	12/9/2016	5/24/2017	76
<p>Explanation: The pipeline spans a multi-state geographic area and consists of seven inspection units. PHMSA schedules inspections by operator and by pipeline system based on relative risk rankings -- this operator was considered a higher potential risk due to previous inspection findings.</p> <p>During the course of the inspection, the PHMSA inspector discovered a potential integrity issue. Due to the operator's size and risk rating priority, the issue was significant enough to merit issuance of a Notice of Probable Violation (NOPV). The NOPV took approximately two months to finalize and was issued on October 26, 2016, while the remaining portions of the inspection were still on-going. The inspection ended on December 9, 2016. The inspector believed that the issuance of the NOPV met the requirements of operator notification and failed to submit a follow-on written summary within 90 days following the completed inspection. The oversight was discovered later and the required written preliminary findings were submitted to the operator on May 24, 2017.</p>						

PHMSA National Association of Pipeline Safety Representatives State Partners Summary:

State Programs participating in PHMSA's Pipeline Safety Program consist of all states (except Alaska and Hawaii), the District of Columbia, and Puerto Rico. Arkansas and California have two programs for each state. State Programs are represented by National Association of Pipeline Safety Representatives (NAPSR) (<http://www.napsr.org/>), which is comprised of pipeline safety program managers with oversight responsibilities in a certified State Program for the safe and reliable transportation of natural gas and hazardous liquids through pipelines.

Report: Inspection Finding Notifications
PIPES Act of 2016, Section 7 Requirements

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

The PHMSA Guidelines for States Participating in the Pipeline Safety Program were revised December 2016 to include guidance for states to provide the 30- and 90-day notifications to pipeline operators. The State Program Pipeline Safety Managers are aware of this requirement, and PHMSA will further enforce it with our annual Program Evaluation of State Pipeline Safety Programs.

PHMSA queried NAPSRS to acquire the information necessary for this report. Each State Program responded if they met the 30- and 90-day notification requirements for the period of October 1, 2016 to May 31, 2017. All the State Programs met the 30-day verbal requirement. Below is a listing of each State Program whose inspection exceeded the 90-day written requirement. The reasons for the exceptions listed below varied greatly from state to state; however, most revolved around resource constraints and failure to follow internal procedures.

State Inspections that Exceeded the 90-Day Written Requirement:

- **California** – Public Utilities Commission – 1 time - 130 days
- **California** – State Fire Marshall – 3 times - 125, 15 & 32 days
- **Louisiana** – Department of Natural Resources – 3 times – 103, 93 & 135 days
- **Maryland** - Public Service Commission - 1 time – 8 days
- **Minnesota** – Department of Public Safety - 1 time – 30 days
- **Missouri** - Public Service Commission - 5 times – 23, 19, 19, 59 & 17 days
- **Vermont** - Department of Public Service - 1 time – due to an outstanding data request in which the operator has already responded to the verbal notification which was given during the last day of the inspection on site.
- **West Virginia** - Public Service Commission - 17 times, though each instance was due to a no violation inspection.