

Martin J. Fitzgerald Esq.
Special Assistant to the General Counsel
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Fitzgerald:

You have asked for our views on whether the Department of Energy (DOE) or the Department of Transportation (DOT) has jurisdiction over the safety the maintenance of the pipelines through which petroleum products from the Strategic Petroleum Reserve (SPR) would be transported to the existing system of commercial oil distribution in the event of a drawdown from the SPR. (As to the existing system of commercial pipelines to which the SPR connects, we take it there is not question that DOT authority applies.) In considering this question, we have consulted with DOE.

Under the Hazardous Liquid Pipeline Safety Act of 1979 (HLPSA), 49 USC app. 2001 et seq., DOT establishes minimal Federal safety standards for transportation of hazardous liquids (including petroleum) and for pipeline facilities. The standards apply to each person who engages in transportation of hazardous liquids or who owns or operates pipeline facilities. The term "person," however, does not include the Federal Government. The legislative history makes clear that HLPSA was not intended to apply to a Federally operated facility."

DOE has advised us that it is in operational of the SPR pipeline facilities and has assumed responsibility for their maintenance and safety. Based on these assurances, we do not believe that DOT's authority under HLPSA applies to DOE's ownership and operation of the SPR pipeline facilities. In light of our experience and expertise in the transportation of liquids by pipeline, we have offered to DOE whatever assistance it might need to assure that the pipelines are being maintained and operated safety.

Please let me know if we can provide any other assistance in this matter.

Sincerely,

C. Dean McGrath, Jr.
Associate General Counsel