

# Union Calendar No. 58

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1323

**[Report No. 104-110, Parts I and II]**

To reduce risk to public safety and the environment associated with pipeline transportation of natural gas and hazardous liquids, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 1995

Mr. SHUSTER (for himself, Mr. PETRI, Mr. LAUGHLIN, and Mr. BREWSTER) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY 1, 1995

Reported from the Committee on Transportation and Infrastructure with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

MAY 1, 1995

Referral to the Committee on Commerce extended for a period ending not later than June 1, 1995

JUNE 1, 1995

Additional sponsors: Mr. EMERSON and Mr. BACHUS

JUNE 1, 1995

Reported from the Committee on Commerce with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in boldface roman]

[For text of introduced bill, see copy of bill as introduced on March 24, 1995]

# A BILL

To reduce risk to public safety and the environment associated with pipeline transportation of natural gas and hazardous liquids, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE.**

4        *This Act may be cited as the “Pipeline Safety Act of*  
5        *1995”.*

6        **SEC. 2. REFERENCES.**

7        *(a) REFERENCES TO TITLE 49.—Except as otherwise*  
8        *expressly provided, whenever in this Act an amendment or*  
9        *repeal is expressed in terms of an amendment to, or repeal*  
10       *of, a section or other provision, the reference shall be consid-*  
11       *ered to be made to a section or other provision of title 49,*  
12       *United States Code.*

13       *(b) REFERENCES TO THE SECRETARY OF TRANSPOR-*  
14       *TATION.—Except as otherwise expressly provided, any ref-*  
15       *erence in this Act to the “Secretary” is a reference to the*  
16       *Secretary of Transportation.*

17       **SEC. 3. ANALYSIS OF RISK REDUCTION BENEFITS AND**  
18       **COSTS.**

19       *(a) IN GENERAL.—Chapter 601 is amended by adding*  
20       *at the end the following new section:*

1 **“§ 60126. Analysis of risk reduction benefits and costs**

2       “(a) *REQUIREMENT.*—No final significant standard or  
3 regulatory requirement issued under section 60101(b),  
4 60102, 60103, 60108, 60109, 60110, or 60113 shall be pro-  
5 mulgated unless the Secretary of Transportation—

6               “(1) certifies that the Secretary has conducted an  
7 analysis of risk reduction benefits and costs that is  
8 based on objective and unbiased scientific and eco-  
9 nomic evaluations of all significant and relevant in-  
10 formation and risk assessments provided to the De-  
11 partment of Transportation by interested parties or  
12 generated by the Department itself relating to the  
13 costs, risks, and risk reduction and other benefits ad-  
14 dressed by the standard or requirement;

15               “(2) certifies that the incremental risk reduction  
16 or other benefits of any option chosen will be likely  
17 to justify, and be reasonably related to, the incremen-  
18 tal costs incurred by State, local, and tribal govern-  
19 ments and the Federal Government and other public  
20 and private citizens; and

21               “(3) explains why any other options identified  
22 or considered by the Secretary were found either—

23                       “(A) to be less cost-effective at achieving a  
24 substantially equivalent reduction in risk; or

25                       “(B) to provide less flexibility to State,  
26 local, or tribal governments or regulated entities

1           *in achieving the otherwise applicable objectives of*  
2           *the standard or requirement, along with a brief*  
3           *explanation of why other options that were iden-*  
4           *tified or considered by the Secretary were found*  
5           *to be less cost-effective or less flexible.*

6           “(b) *ELEMENTS OF ANALYSIS.*—*An analysis of risk re-*  
7           *duction benefits or costs prepared by the Secretary for a*  
8           *significant standard or regulatory requirement, at a mini-*  
9           *imum, shall—*

10           “(1) *identify the various regulatory and non-*  
11           *regulatory options that were considered;*

12           “(2) *analyze the incremental costs and incremen-*  
13           *tal risk reduction or other benefits associated with*  
14           *each option identified or considered by the Secretary;*

15           “(3) *provide any technical data or other infor-*  
16           *mation, including the underlying assumptions, upon*  
17           *which the standard or requirement is based; and*

18           “(4) *include a statement that places in context*  
19           *the nature and magnitude of the risks to be addressed*  
20           *and the residual risks likely to remain for each option*  
21           *identified or considered.*

22           *Costs and benefits shall be quantified to the extent feasible*  
23           *and appropriate and may otherwise be qualitatively de-*  
24           *scribed.*

1       “(c) *RISK ASSESSMENT DOCUMENTS*.—A risk assess-  
2       ment document prepared by the Secretary for a significant  
3       standard or regulatory requirement shall, at a minimum  
4       and to the extent feasible—

5               “(1) provide the best estimate for the impacts ad-  
6       dressed and a statement of the reasonable range of sci-  
7       entific uncertainties;

8               “(2) include a statement of any significant sub-  
9       stitution risks to public safety or the environment;  
10       and

11              “(3) contain a statement that places in context  
12       the nature and magnitude of risks to public safety or  
13       the environment.

14       “(d) *STATEMENTS*.—The statements referred to in sub-  
15       sections (b)(4) and (c)(3) of this section shall each provide,  
16       to the extent feasible, comparisons with estimates of greater,  
17       lesser, and substantially equivalent risks that are familiar  
18       to and routinely encountered by the general public, as well  
19       as other risks, and, where appropriate and meaningful,  
20       comparisons of those risks with other similar risks regulated  
21       by the Department resulting from comparable activities. In  
22       making such comparisons, the Secretary should consider  
23       relevant distinctions among risks, such as the voluntary or  
24       involuntary nature of risks, and the preventability or  
25       nonpreventability of risks.

1       “(e) *REVIEW BY STANDARDS COMMITTEE.*—

2               “(1) *PEER REVIEW.*—For any significant stand-  
3       *ard or regulatory requirement, the Secretary shall*  
4       *submit any risk assessment documents and cost-bene-*  
5       *fit analyses (prepared or received by the Secretary)*  
6       *for review by the Technical Pipeline Safety Standards*  
7       *Committee, the Hazardous Liquid Pipeline Safety*  
8       *Standards Committee, or both, as appropriate, and*  
9       *make them available to the public. The Technical*  
10       *Pipeline Safety Standards Committee and the Haz-*  
11       *ardous Liquid Pipeline Safety Standards Committee*  
12       *shall function as peer review panels and shall prepare*  
13       *reports, including any recommended options for any*  
14       *significant standard or regulatory requirement and*  
15       *an evaluation of the technical scientific merit of the*  
16       *data and scientific method used for a risk assessment*  
17       *document or cost-benefit analysis. The Committee or*  
18       *Committees shall submit such reports to the Secretary*  
19       *within 90 days after the date of receipt of the docu-*  
20       *ments and analyses from the Secretary.*

21               “(2) *RESPONSE OF SECRETARY.*—The Secretary  
22       *shall review the report and recommendations of the*  
23       *Technical Pipeline Safety Standards Committee, the*  
24       *Technical Hazardous Liquids Pipeline Safety Stand-*

1        *ards Committee, or both, as the case may be. Within*  
2        *90 days after receipt of such report, the Secretary—*

3                *“(A) shall submit to the Committee or Com-*  
4                *mittees a written response to all peer review*  
5                *comments and recommended options; and*

6                *“(B) may revise the risk assessment docu-*  
7                *ment or cost-benefit analysis prior to determin-*  
8                *ing whether the proposed significant standard or*  
9                *regulatory requirement should be promulgated.*

10        *“(f) EMERGENCIES.—In the case of an emergency, the*  
11        *Secretary may suspend the application of this section for*  
12        *the duration of the emergency.*

13        *“(g) REPORT.—Not later than March 31, 1999, the*  
14        *Secretary shall transmit to Congress a report on the appli-*  
15        *cation of the principles of the analyses of risk reduction*  
16        *benefits and costs and risk assessment to this chapter and*  
17        *their effect on pipeline safety.”.*

18        *(b) CONFORMING AMENDMENT.—The analysis for*  
19        *chapter 601 is amended by adding at the end the following:*

*“60126. Analysis of risk reduction benefits and costs.*  
*“60127. Risk management.”.*

20        **SEC. 4. DEFINITIONS.**

21        *(a) IN GENERAL.—Section 60101(a) is amended—*

22                *(1) by striking subparagraph (B) of paragraph*  
23                *(21) and inserting the following:*

1           “(B) does not include the gathering of gas,  
2 other than gathering through regulated gathering  
3 lines, in those rural locations that are outside the  
4 limits of any incorporated or unincorporated  
5 city, town, or village, or any other designated  
6 residential or commercial area (such as a sub-  
7 division, business, shopping center, or commu-  
8 nity development) or any similar populated area  
9 which the Secretary of Transportation may de-  
10 fine as a nonrural area; but

11           “(C) includes the movement of gas through  
12 regulated gathering lines.”; and

13           (2) by adding at the end the following:

14           “(23) ‘best estimate’ means a scientifically ap-  
15 propriate estimate which is based, to the extent fea-  
16 sible, on one of the following:

17           “(A) Central estimates of risk using the  
18 most plausible assumptions.

19           “(B) An approach which combines multiple  
20 estimates based on different scenarios and weighs  
21 the probability of each scenario.

22           “(C) Any other methodology designed to  
23 provide the most unbiased representation of the  
24 most plausible level of risk, given the current sci-  
25 entific information available to the Secretary.

1           “(24) ‘benefits’ means the reasonably identifiable  
2           significant health, safety, environmental, social, and  
3           economic benefits that are expected to result directly  
4           or indirectly from implementation of a standard, reg-  
5           ulatory requirement, or option.

6           “(25) ‘costs’ means the direct and indirect costs  
7           to the United States Government, to State, local, and  
8           tribal governments, and to the private sector, wage  
9           earners, consumers, and the economy of implementing  
10          and complying with a standard, regulatory require-  
11          ment, or option.

12          “(26) ‘risk assessment document’ means a docu-  
13          ment containing—

14                 “(A) an explanation of how hazards associ-  
15                 ated with a substance, activity, or condition have  
16                 been identified, quantified, and assessed; and

17                 “(B) a statement by the preparer of the doc-  
18                 ument accepting the findings of the document.

19          “(27) ‘risk management’ means the systematic  
20          application, by the owner or operator of a pipeline  
21          facility, of management policies, procedures, finite re-  
22          sources, and practices to the tasks of analyzing, as-  
23          sessing, and controlling risk in order to protect em-  
24          ployees, the general public, the environment, and  
25          pipeline facilities.

1           “(28) ‘risk management plan’ means a manage-  
2           ment plan utilized by a gas or hazardous liquid pipe-  
3           line facility owner or operator that encompasses risk  
4           management.

5           “(29) ‘significant standard or regulatory re-  
6           quirement’ means any safety or environmental stand-  
7           ard or regulatory requirement, or closely related  
8           group of safety or environmental standards or regu-  
9           latory requirements, that is likely to result in  
10          annualized compliance costs in excess of \$25,000,000.

11          “(30) ‘substitution risk’ means a potential risk  
12          to public safety or the environment from a significant  
13          standard, regulatory requirement, or option designed  
14          to decrease other risks.”.

15          (b) *GATHERING LINES*.—Section 60101(b)(2) is  
16          amended by inserting “, if appropriate,” after “Secretary”  
17          the first place it appears.

18          **SEC. 5. GENERAL AUTHORITY.**

19          (a) *MINIMUM SAFETY STANDARDS*.—Section 60102(a)  
20          is amended—

21                  (1) by striking “(a)(1)” and inserting “(a)”;

22                  (2) by striking paragraph (2);

23                  (3) by redesignating subparagraphs (A), (B),  
24          and (C) as paragraphs (1), (2), and (3), respectively;

1           (4) in paragraph (1), as redesignated by para-  
2           graph (3) of this subsection, by striking “transporters  
3           of gas and hazardous liquid and to”; and

4           (5) by striking paragraph (3), as redesignated by  
5           paragraph (3) of this subsection, and inserting the  
6           following:

7           “(3) shall include a requirement that all individ-  
8           uals who operate and maintain pipeline facilities  
9           must be qualified.

10          Such qualifications shall address the ability to recognize  
11          and react appropriately to abnormal operating conditions  
12          that may indicate a dangerous situation or a condition ex-  
13          ceeding design limits. The operator of the pipeline facility  
14          shall ensure that employees who operate and maintain the  
15          facility are qualified.”.

16          (b) PRACTICABILITY AND SAFETY NEEDS STAND-  
17          ARDS.—Section 60102(b) is amended—

18               (1) by striking “section 60103” and inserting  
19               “sections 60103 and 60112”;

20               (2) in paragraph (1)(B) by inserting “safety”  
21               after “pipeline”;

22               (3) by striking “and” at the end of paragraph  
23               (3);

24               (4) in paragraph (4) by striking “contribute to”  
25               and inserting “benefit”;

1           (5) by striking the period at the end of para-  
2 graph (4) and inserting “; and”; and

3           (6) by adding at the end the following new para-  
4 graph:

5           “(5) the comments and recommendations of the  
6 Technical Pipeline Safety Standards Committee, the  
7 Technical Hazardous Liquid Pipeline Safety Stand-  
8 ards Committee, or both, as appropriate.”.

9           (c) FACILITY OPERATION INFORMATION STAND-  
10 ARDS.—Section 60102(d) is amended in the first sentence—

11           (1) by inserting after “operating the facility” the  
12 following: “as required by the standards prescribed  
13 under this chapter”;

14           (2) by striking “to provide the information” and  
15 inserting “to make the information available”; and

16           (3) by inserting after “to the Secretary and an  
17 appropriate State official” the following: “as deter-  
18 mined by the Secretary”.

19           (d) PIPE INVENTORY STANDARDS.—Section 60102(e)  
20 is amended in the first sentence—

21           (1) by striking “and, to the extent the Secretary  
22 considers necessary, an operator of a gathering line  
23 that is not a regulated gathering line (as defined  
24 under section 60101(b)(2) of this title),”; and

1           (2) by striking “transmission” and inserting  
2           “transportation”.

3           (e) *SMART PIGS.*—

4           (1) *MINIMUM SAFETY STANDARDS.*—Section  
5           60102(f) is amended by striking “(1)” and all that  
6           follows through “device.” and inserting the following:

7           “(1) *MINIMUM SAFETY STANDARDS.*—The Sec-  
8           retary shall prescribe minimum safety standards re-  
9           quiring that the design and construction of a new gas  
10          pipeline facility or hazardous liquid pipeline facility  
11          be carried out, to the extent practicable, in a way  
12          that accommodates the passage through the facility of  
13          an instrumented internal inspection device (com-  
14          monly referred to as a ‘smart pig’). The Secretary  
15          shall also prescribe minimum safety standards requir-  
16          ing replacement of an existing gas pipeline facility,  
17          hazardous liquid pipeline facility, or equipment, to be  
18          carried out, to the extent practicable, in a way that  
19          replacement of the existing gas pipeline facility, haz-  
20          ardous liquid pipeline facility, or equipment being re-  
21          placed accommodates the passage through the facility  
22          of an instrumented internal inspection device. The  
23          Secretary may apply the standard to an existing gas  
24          or hazardous liquid facility and require the facility  
25          to be changed to allow the facility to be inspected with

1 *an instrumented internal inspection device if the*  
2 *basic construction of the facility will accommodate the*  
3 *device.”.*

4 (2) *PERIODIC INSPECTIONS.—Section 60102(f) is*  
5 *further amended—*

6 (A) *in paragraph (2) by inserting “PERI-*  
7 *ODIC INSPECTIONS.—” after “(2)”;*

8 (B) *in paragraph (2) by inserting after “the*  
9 *Secretary shall prescribe” the following: “, if nec-*  
10 *essary, additional”;* and

11 (C) *by moving paragraph (2) 2 ems to the*  
12 *right.*

13 (f) *UPDATING STANDARDS.—Section 60102 is amend-*  
14 *ed by adding at the end the following:*

15 “(l) *UPDATING STANDARDS.—The Secretary shall, to*  
16 *the extent appropriate and practicable, update incorporated*  
17 *industry standards that have been adopted as part of the*  
18 *Federal pipeline safety regulatory program.”.*

19 **SEC. 6. RISK MANAGEMENT.**

20 (a) *IN GENERAL.—Chapter 601 is further amended by*  
21 *adding at the end the following new section:*

22 **“§ 60127. Risk management**

23 (a) *RISK MANAGEMENT DEMONSTRATION*  
24 *PROJECT.—The Secretary of Transportation shall carry out*  
25 *a project with voluntary participation by owners and oper-*

1 *ators of pipeline facilities to demonstrate applications of*  
2 *risk management. The purpose of the project shall be to*  
3 *evaluate the safety and cost effectiveness of such applica-*  
4 *tions.*

5       “(b) *EXEMPTION.—During the period of the dem-*  
6 *onstration project carried out under this section, the Sec-*  
7 *retary may exempt owners and operators participating in*  
8 *the project from compliance with some or all of the stand-*  
9 *ards and regulatory requirements that would otherwise*  
10 *apply to such owners and operators under this chapter. In*  
11 *addition, the Secretary shall exempt such owners and oper-*  
12 *ators from complying with standards and regulatory re-*  
13 *quirements promulgated under this chapter during the pe-*  
14 *riod of such participation with respect to facilities included*  
15 *in the project.*

16       “(c) *REQUIREMENTS.—In carrying out the demonstra-*  
17 *tion project under this section, the Secretary shall—*

18               “(1) *invite owners and operators of pipeline fa-*  
19 *ilities to submit risk management plans for timely*  
20 *approval by the Secretary;*

21               “(2) *ensure that owners and operators imple-*  
22 *menting approved risk management plans under the*  
23 *project will achieve an equivalent or greater overall*  
24 *level of safety than such owners and operators would*

1 *otherwise achieve by complying with the standards*  
2 *and regulatory requirements of this chapter; and*

3 *“(3) ensure that the project incorporates the fol-*  
4 *lowing elements:*

5 *“(A) collaborative training;*

6 *“(B) methods to measure the performance of*  
7 *risk management plans;*

8 *“(C) development and application of new*  
9 *technologies;*

10 *“(D) promotion of community awareness;*

11 *“(E) development of a model to categorize*  
12 *the risks inherent to a selected pipeline facility,*  
13 *considering the location, volume, pressure, and*  
14 *material transported or stored by the facility;*

15 *“(F) application of risk assessment and risk*  
16 *management methodologies suitable to the inher-*  
17 *ent risks determined to exist by the model devel-*  
18 *oped under subparagraph (E);*

19 *“(G) development of project elements needed*  
20 *to ensure that owners and operators participat-*  
21 *ing in the project demonstrate that risks are*  
22 *being effectively managed and that risk manage-*  
23 *ment plans carried out under the project can be*  
24 *audited;*

1           “(H) a process for making amendments,  
2           modifications, and adjustments to approved risk  
3           management plans under the project as agreed to  
4           by owners and operators carrying out such plans  
5           and the Secretary; and

6           “(I) such other elements as the Secretary  
7           and owners and operators participating in the  
8           project may agree would further the purposes of  
9           this section.

10          “(d) *EMERGENCIES.*—In the case of an emergency, the  
11       Secretary may suspend or revoke the participation of an  
12       owner or operator in the demonstration project carried out  
13       under this section.

14          “(e) *REPORT.*—Not later than March 31, 1999, the  
15       Secretary shall transmit to Congress a report on the results  
16       of the demonstration project carried out under this section  
17       together with an evaluation of the project and recommenda-  
18       tions on whether or not the applications demonstrated  
19       under the project should be made a permanent part of the  
20       Federal pipeline safety program.”.

21       **SEC. 7. INSPECTION AND MAINTENANCE.**

22       Section 60108 is amended—

23               (1) in subsection (a)(1) by striking “transport-  
24               ing gas or hazardous liquid or” each place it appears;

1           (2) in subsection (b)(2) by striking the second  
2 sentence;

3           (3) in the heading to subsection (c) by striking  
4 “NAVIGABLE WATERS” and inserting “OTHER WA-  
5 TERS”; and

6           (4) by striking clause (ii) of subsection (c)(2)(A)  
7 and inserting the following:

8           “(ii) any other pipeline facility crossing under,  
9 over, or through waters where a substantial likelihood  
10 of commercial navigation exists if the Secretary de-  
11 cides that the location of the facility in those waters  
12 could pose a hazard to navigation or public safety.”.

13 **SEC. 8. HIGH-DENSITY POPULATION AREAS AND ENVIRON-**  
14 **MENTALLY SENSITIVE AREAS.**

15           (a) IDENTIFICATION.—Section 60109(a)(1)(B)(i) is  
16 amended by striking “a navigable waterway (as the Sec-  
17 retary defines by regulation)” and inserting “waters where  
18 a substantial likelihood of commercial navigation exists”.

19           (b) UNUSUALLY SENSITIVE AREAS.—Section 60109(b)  
20 is amended by striking paragraph (1) and inserting the fol-  
21 lowing:

22           “(1) intake locations for community water sys-  
23 tems;”.

24 **SEC. 9. EXCESS FLOW VALUES.**

25           Section 60110 is amended—

1           (1) in subsection (b) by inserting “, if any,”  
2 after “circumstances”;

3           (2) in subsection (b)(4) by inserting “, operating,  
4 and maintaining” after “cost of installing”;

5           (3) in subsection (c)(1)(C) by inserting “, main-  
6 tenance, and replacement” after “installation”; and

7           (4) in subsection (e) by inserting after the first  
8 sentence the following: “The Secretary may adopt in-  
9 dustry accepted performance standards in order to  
10 comply with this requirement.”.

11 **SEC. 10. CUSTOMER-OWNED NATURAL GAS SERVICE LINES.**

12 Section 60113 is amended—

13           (1) by striking “(a) MAINTENANCE INFORMA-  
14 TION.—”; and

15           (2) by striking subsection (b).

16 **SEC. 11. ONE-CALL NOTIFICATION SYSTEMS.**

17 (a) APPLICATION.—Section 60114(a) is amended—

18           (1) in paragraph (1) by striking “the system  
19 apply to”;

20           (2) in paragraph (1) by inserting before the pe-  
21 riod “be covered by a system”;

22           (3) in each of paragraphs (1), (2), (3), (6), (7),  
23 (8), and (9) by striking “a” the first place it appears  
24 and inserting “A”;

1           (4) in paragraph (4) by striking “qualifications”  
2           and inserting “Qualifications”; and

3           (5) in paragraph (5) by striking “procedures”  
4           and inserting “Procedures”.

5           (b) *SANCTIONS*.—Section 60114(a)(9) is further  
6 amended by striking “60120, 60122, and 60123” and in-  
7 serting “60120 and 60122”.

8 **SEC. 12. TECHNICAL SAFETY STANDARDS COMMITTEES.**

9           (a) *PEER REVIEW*.—Section 60115(a) is amended by  
10 adding at the end the following: “The Committees shall  
11 serve as peer review committees for carrying out this chap-  
12 ter. Peer reviews conducted by the Committees shall be treat-  
13 ed for purposes of all Federal laws relating to risk assess-  
14 ment and peer review (including laws approved after the  
15 date of the enactment of the Pipeline Safety Act of 1995)  
16 as meeting any peer review requirements of such laws.”.

17           (b) *COMPOSITION AND APPOINTMENT*.—Section  
18 60115(b) is amended—

19           (1) in paragraph (1) by inserting “or risk man-  
20 agement” before the period at the end of the last sen-  
21 tence;

22           (2) in paragraph (2) by inserting “or risk man-  
23 agement” before the period at the end of the last sen-  
24 tence;

1           (3) in paragraph (3)(B) by striking “4” and in-  
2           serting “5”;

3           (4) in paragraph (3)(C) by striking “6” and in-  
4           serting “5”;

5           (5) in paragraph (4)(B) by adding at the end  
6           the following: “At least 1 of the individuals selected  
7           for each committee under paragraph (3)(B) must  
8           have education, background, or experience in risk as-  
9           sessment and cost-benefit analysis. The Secretary  
10          shall consult with the national organizations rep-  
11          resenting the owners and operators of pipeline facili-  
12          ties before selecting individuals under paragraph  
13          (3)(B).”; and

14          (6) in paragraph (4)(C) by inserting after the  
15          first sentence the following: “At least 1 of the individ-  
16          uals selected for each committee under paragraph  
17          (3)(C) must have education, background, or experi-  
18          ence in risk assessment and cost-benefit analysis.”.

19          (c) COMMITTEE REPORTS.—Section 60115(c) is  
20          amended—

21                 (1) by inserting “or regulatory requirement”  
22                 after “standard” each place it appears in paragraphs  
23                 (1), (2), and (3);

24                 (2) in paragraph (1)(A) by inserting after “gas  
25                 pipeline facilities” the following: “, including the risk

1 *assessment document, cost-benefit, and other analyses*  
2 *supporting each proposed standard or regulatory re-*  
3 *quirement”;*

4 (3) *in paragraph (1)(B) by inserting after “haz-*  
5 *ardous liquid pipeline facilities” the following: “, in-*  
6 *cluding the risk assessment document, cost-benefit,*  
7 *and other analyses supporting each proposed stand-*  
8 *ard or regulatory requirement”;* and

9 (4) *in paragraph (2)—*

10 (A) *by inserting “and supporting analyses”*  
11 *before the first comma in the first sentence;*

12 (B) *by inserting “and submit to the Sec-*  
13 *retary” after “prepare” in the first sentence;*

14 (C) *by inserting “cost effectiveness,” after*  
15 *“reasonableness,” in the first sentence;*

16 (D) *by inserting “together with rec-*  
17 *ommended actions” before the period at the end*  
18 *of the first sentence; and*

19 (E) *by inserting “any recommended actions*  
20 *and” after “including” in the second sentence.*

21 (d) *PROPOSED COMMITTEE STANDARDS AND REGU-*  
22 *LATORY REQUIREMENTS.—Section 60115(d)(1) is amended*  
23 *by inserting “or regulatory requirement” after “standard”*  
24 *each place it appears.*

1       (e) *MEETINGS*.—Section 60115(e) is amended by strik-  
2     ing “twice” and inserting “4 times”.

3       (f) *EXPENSES*.—Section 60115(f) is amended—

4             (1) in the subsection heading by striking “PAY  
5     AND”;

6             (2) by striking the first two sentences; and

7             (3) by inserting “of a committee under this sec-  
8     tion” after “A member”.

9     **SEC. 13. PUBLIC EDUCATION PROGRAMS.**

10    Section 60116 is amended—

11             (1) by striking “person transporting gas” and  
12    inserting “owner or operator of a gas pipeline facil-  
13    ity”;

14             (2) by inserting “the use of damage prevention  
15    (‘one-call’) systems prior to excavation,” after “edu-  
16    cate the public on”; and

17             (3) by inserting a comma after “gas leaks”.

18    **SEC. 14. ADMINISTRATIVE.**

19    Section 60117 is amended by adding at the end the  
20    following:

21             “(k) *AUTHORITY FOR COOPERATIVE AGREEMENTS*.—

22    To carry out this chapter, the Secretary may enter into  
23    grants, cooperative agreements, and other transactions with  
24    any person, agency, or instrumentality of the United  
25    States, any unit of State or local government, any edu-

1 *cational institution, and any other entity to further the ob-*  
2 *jectives of this chapter. Such objectives include, but are not*  
3 *limited to, the development, improvement, and promotion*  
4 *of one-call damage prevention programs, research, risk as-*  
5 *essment, and mapping.”.*

6 **SEC. 15. COMPLIANCE AND WAIVERS.**

7 *Section 60118 is amended by adding at the end the*  
8 *following:*

9 *“(e) COMPLIANCE WITH RISK MANAGEMENT PLANS.—*  
10 *Owners and operators that are participating in the dem-*  
11 *onstratation project under section 60127 shall be considered*  
12 *to be in compliance with any prescribed safety standard*  
13 *or regulatory requirement that is covered by an approved*  
14 *plan under section 60127.”.*

15 **SEC. 16. DAMAGE REPORTING.**

16 *Section 60123(d)(2) is amended—*

17 *(1) by striking “or” at the end of subparagraph*

18 *(A);*

19 *(2) by redesignating subparagraph (B) as sub-*  
20 *paragraph (C); and*

21 *(3) by inserting after subparagraph (A) the fol-*  
22 *lowing:*

23 *“(B) a pipeline facility and does not report*  
24 *the damage promptly to the operator of the pipe-*

1           *line facility and other appropriate authorities;*  
2           *or”.*

3   **SEC. 17. ANNUAL REPORTS.**

4           *Section 60124 and the item relating to such section*  
5   *in the analysis for chapter 601 are repealed.*

6   **SEC. 18. POPULATION ENCROACHMENT.**

7           *(a) IN GENERAL.—Chapter 601 is amended by insert-*  
8   *ing after section 60123 the following new section:*

9   **“§ 60124. Population encroachment**

10          *“(a) LAND USE RECOMMENDATIONS.—The Secretary*  
11   *of Transportation shall make available to an appropriate*  
12   *official of each State, as determined by the Secretary, the*  
13   *land use recommendations of the Transportation Research*  
14   *Board’s Special Report 219, entitled ‘Pipelines and Public*  
15   *Safety’.*

16          *“(b) EVALUATION.—The Secretary shall evaluate the*  
17   *recommendations in the report referred to in subsection (a),*  
18   *determine to what extent the recommendations are being*  
19   *implemented, consider ways to improve implementation of*  
20   *the recommendations, and consider other initiatives to fur-*  
21   *ther improve awareness of local planning and zoning enti-*  
22   *ties regarding issues involved with population encroach-*  
23   *ment in proximity to the rights-of-ways of any interstate*  
24   *gas pipeline facility or interstate hazardous liquid pipeline*  
25   *facility.”.*

1 (b) *CONFORMING AMENDMENT.*—The analysis for  
 2 chapter 601 is amended by inserting after the item relating  
 3 to section 60123 the following:

“60124. Population encroachment.”.

4 **SEC. 19. TECHNICAL CORRECTIONS.**

5 (a) *SECTION 60105.*—The heading to section 60105 is  
 6 amended by inserting “**pipeline safety program**”  
 7 after “**State**”.

8 (b) *SECTION 60106.*—The heading to section 60106 is  
 9 amended by inserting “**pipeline safety**” after “**State**”.

10 (c) *SECTION 60107.*—The heading to section 60107 is  
 11 amended by inserting “**pipeline safety**” after “**State**”.

12 (d) *CHAPTER ANALYSIS.*—The analysis for chapter  
 13 601 is amended—

14 (1) in the item relating to section 60105 by in-  
 15 serting “pipeline safety program” after “State”;

16 (2) in the item relating to section 60106 by in-  
 17 serting “pipeline safety” after “State”; and

18 (3) in the item relating to section 60107 by in-  
 19 serting “pipeline safety” after “State”.

20 **SEC. 20. AUTHORIZATIONS OF APPROPRIATION.**

21 (a) *GAS.*—Section 60125(a) is amended by adding at  
 22 the end the following:

23 “(4) \$7,866,000 for fiscal year 1996.

24 “(5) \$8,322,000 for fiscal year 1997.

25 “(6) \$8,778,000 for fiscal year 1998.

1           “(7) \$9,234,000 for fiscal year 1999.”.

2           (b) *HAZARDOUS LIQUID*.—Section 60125(b) is amend-  
3 ed by adding at the end the following:

4           “(4) \$2,070,000 for fiscal year 1996.

5           “(5) \$2,190,000 for fiscal year 1997.

6           “(6) \$2,310,000 for fiscal year 1998.

7           “(7) \$2,430,000 for fiscal year 1999.”.

8           (c) *STATE GRANTS*.—Section 60125(c)(1) by adding at  
9 the end the following:

10           “(D) \$10,764,000 for fiscal year 1996.

11           “(E) \$11,388,000 for fiscal year 1997.

12           “(F) \$12,012,000 for fiscal year 1998.

13           “(G) \$12,636,000 for fiscal year 1999.”.

14 **SECTION 1. SHORT TITLE.**

15           **This Act may be cited as the “Pipeline**  
16 **Safety Act of 1995”.**

17 **SEC. 2. REFERENCES.**

18           **(a) REFERENCES TO TITLE 49.—Except as**  
19 **otherwise expressly provided, whenever in**  
20 **this Act an amendment or repeal is expressed**  
21 **in terms of an amendment to, or repeal of, a**  
22 **section or other provision, the reference shall**  
23 **be considered to be made to a section or other**  
24 **provision of title 49, United States Code.**

1       **(b) REFERENCES TO THE SECRETARY OF**  
2 **TRANSPORTATION.—Except as otherwise ex-**  
3 **pressly provided, any reference in this Act to**  
4 **the “Secretary” is a reference to the Secretary**  
5 **of Transportation.**

6 **SEC. 3. ANALYSIS OF RISK REDUCTION BENEFITS AND**  
7 **COSTS.**

8       **(a) IN GENERAL.—Chapter 601 is amended**  
9 **by adding at the end the following new sec-**  
10 **tion:**

11 **“§ 60126. Analysis of risk reduction benefits and costs**

12       **“(a) REQUIREMENT.—No final significant**  
13 **standard or regulatory requirement issued**  
14 **under section 60101(b), 60102, 60103, 60108,**  
15 **60109, 60110, or 60113 shall be promulgated**  
16 **unless the Secretary of Transportation—**

17           **“(1) certifies that the Secretary has**  
18 **conducted an analysis of risk reduction**  
19 **benefits and costs that is based on objec-**  
20 **tive and unbiased scientific and eco-**  
21 **nomic evaluations of all significant and**  
22 **relevant information and risk assess-**  
23 **ments provided to the Department of**  
24 **Transportation by interested parties or**  
25 **generated by the Department itself relat-**

1 **ing to the costs, risks, and risk reduction**  
2 **and other benefits addressed by the**  
3 **standard or requirement;**

4 **“(2) certifies that the incremental risk**  
5 **reduction or other benefits of any option**  
6 **chosen will be likely to justify, and be**  
7 **reasonably related to, the incremental**  
8 **costs incurred by State, local, and tribal**  
9 **governments and the Federal Govern-**  
10 **ment and other public and private citi-**  
11 **zens; and**

12 **“(3) explains why any other options**  
13 **identified or considered by the Secretary**  
14 **were found either—**

15 **“(A) to be less cost-effective at**  
16 **achieving a substantially equivalent**  
17 **reduction in risk; or**

18 **“(B) to provide less flexibility to**  
19 **State, local, or tribal governments or**  
20 **regulated entities in achieving the**  
21 **otherwise applicable objectives of the**  
22 **standard or requirement, along with**  
23 **a brief explanation of why other op-**  
24 **tions that were identified or consid-**

1           **ered by the Secretary were found to**  
2           **be less cost-effective or less flexible.**

3           **“(b) ELEMENTS OF ANALYSIS.—An analysis**  
4 **of risk reduction benefits or costs prepared**  
5 **by the Secretary for a significant standard or**  
6 **regulatory requirement, at a minimum,**  
7 **shall—**

8           **“(1) identify the various regulatory**  
9 **and nonregulatory options that were con-**  
10 **sidered;**

11           **“(2) analyze the incremental costs**  
12 **and incremental risk reduction or other**  
13 **benefits associated with each option**  
14 **identified or considered by the Secretary;**

15           **“(3) provide any technical data or**  
16 **other information, including the underly-**  
17 **ing assumptions, upon which the stand-**  
18 **ard or requirement is based; and**

19           **“(4) include a statement that places in**  
20 **context the nature and magnitude of the**  
21 **risks to be addressed and the residual**  
22 **risks likely to remain for each option**  
23 **identified or considered.**

1 **Costs and benefits shall be quantified to the**  
2 **extent feasible and appropriate and may oth-**  
3 **erwise be qualitatively described.**

4 **“(c) RISK ASSESSMENT DOCUMENTS.—A risk**  
5 **assessment document prepared by the Sec-**  
6 **retary for a significant standard or regulatory**  
7 **requirement shall, at a minimum and to the**  
8 **extent feasible—**

9 **“(1) provide the best estimate for the**  
10 **impacts addressed and a statement of the**  
11 **reasonable range of scientific uncertain-**  
12 **ties;**

13 **“(2) include a statement of any sig-**  
14 **nificant substitution risks to public safe-**  
15 **ty or the environment; and**

16 **“(3) contain a statement that places**  
17 **in context the nature and magnitude of**  
18 **risks to public safety or the environment.**

19 **“(d) STATEMENTS.—The statements re-**  
20 **ferred to in subsections (b)(4) and (c)(3) of this**  
21 **section shall each provide, to the extent fea-**  
22 **sible, comparisons with estimates of greater,**  
23 **lesser, and substantially equivalent risks that**  
24 **are familiar to and routinely encountered by**  
25 **the general public, as well as other risks, and,**

1 **where appropriate and meaningful, compari-**  
2 **sons of those risks with other similar risks**  
3 **regulated by the Department resulting from**  
4 **comparable activities. In making such com-**  
5 **parisons, the Secretary should consider rel-**  
6 **evant distinctions among risks, such as the**  
7 **voluntary or involuntary nature of risks, and**  
8 **the preventability or nonpreventability of**  
9 **risks.**

10 **“(e) REVIEW BY STANDARDS COMMITTEE.—**

11 **“(1) PEER REVIEW.—For any significant**  
12 **standard or regulatory requirement, the**  
13 **Secretary shall submit any risk assess-**  
14 **ment documents and cost-benefit analy-**  
15 **ses (prepared or received by the Sec-**  
16 **retary) for review by the Technical Pipe-**  
17 **line Safety Standards Committee, the**  
18 **Hazardous Liquid Pipeline Safety Stand-**  
19 **ards Committee, or both, as appropriate,**  
20 **and make them available to the public.**  
21 **The Technical Pipeline Safety Standards**  
22 **Committee and the Hazardous Liquid**  
23 **Pipeline Safety Standards Committee**  
24 **shall function as peer review panels and**  
25 **shall prepare reports, including any rec-**

1 **ommended options for any significant**  
2 **standard or regulatory requirement and**  
3 **an evaluation of the technical scientific**  
4 **merit of the data and scientific method**  
5 **used for a risk assessment document or**  
6 **cost-benefit analysis. The Committee or**  
7 **Committees shall submit such reports to**  
8 **the Secretary within 90 days after the**  
9 **date of receipt of the documents and**  
10 **analyses from the Secretary.**

11 **“(2) RESPONSE OF SECRETARY.—The**  
12 **Secretary shall review the report and**  
13 **recommendations of the Technical Pipe-**  
14 **line Safety Standards Committee, the**  
15 **Technical Hazardous Liquids Pipeline**  
16 **Safety Standards Committee, or both, as**  
17 **the case may be. Within 90 days after re-**  
18 **ceipt of such report, the Secretary—**

19 **“(A) shall submit to the Commit-**  
20 **tee or Committees a written response**  
21 **to all peer review comments and rec-**  
22 **ommended options; and**

23 **“(B) may revise the risk assess-**  
24 **ment document or cost-benefit analy-**  
25 **sis prior to determining whether the**

1           **proposed significant standard or reg-**  
2           **ulatory requirement should be pro-**  
3           **mulgated.**

4           **“(f) EMERGENCIES.—In the case of an emer-**  
5           **gency, the Secretary may suspend the appli-**  
6           **cation of this section for the duration of the**  
7           **emergency.**

8           **“(g) REPORT.—Not later than March 31,**  
9           **1999, the Secretary shall transmit to Congress**  
10          **a report on the application of the principles**  
11          **of the analyses of risk reduction benefits and**  
12          **costs and risk assessment to this chapter and**  
13          **their effect on pipeline safety.”.**

14          **(b) CONFORMING AMENDMENT.—The analy-**  
15          **sis for chapter 601 is amended by adding at**  
16          **the end the following:**

**“60126. Analysis of risk reduction benefits and costs.**  
          **“60127. Risk management.”.**

17          **SEC. 4. DEFINITIONS.**

18          **(a) IN GENERAL.—Section 60101(a) is**  
19          **amended—**

20                 **(1) by striking subparagraph (B) of**  
21                 **paragraph (21) and inserting the follow-**  
22                 **ing:**

23                         **“(B) does not include the gather-**  
24                         **ing of gas, other than gathering**

1 through regulated gathering lines, in  
2 those rural locations that are outside  
3 the limits of any incorporated or un-  
4 incorporated city, town, or village, or  
5 any other designated residential or  
6 commercial area (such as a subdivi-  
7 sion, business, shopping center, or  
8 community development) or any simi-  
9 lar populated area which the Sec-  
10 retary of Transportation may define  
11 as a nonrural area; but

12 “(C) includes the movement of gas  
13 through regulated gathering lines.”;  
14 and

15 (2) by adding at the end the follow-  
16 ing:

17 “(23) ‘best estimate’ means a scientif-  
18 ically appropriate estimate which is  
19 based, to the extent feasible, on one of  
20 the following:

21 “(A) Central estimates of risk  
22 using the most plausible assumptions.

23 “(B) An approach which combines  
24 multiple estimates based on different

1           **scenarios and weighs the probability**  
2           **of each scenario.**

3           **“(C) Any other methodology de-**  
4           **signed to provide the most unbiased**  
5           **representation of the most plausible**  
6           **level of risk, given the current sci-**  
7           **entific information available to the**  
8           **Secretary.**

9           **“(24) ‘benefits’ means the reasonably**  
10          **identifiable significant health, safety, en-**  
11          **vironmental, social, and economic bene-**  
12          **fits that are expected to result directly or**  
13          **indirectly from implementation of a**  
14          **standard, regulatory requirement, or op-**  
15          **tion.**

16          **“(25) ‘costs’ means the direct and indi-**  
17          **rect costs to the United States Govern-**  
18          **ment, to State, local, and tribal govern-**  
19          **ments, and to the private sector, wage**  
20          **earners, consumers, and the economy of**  
21          **implementing and complying with a**  
22          **standard, regulatory requirement, or op-**  
23          **tion.**

24          **“(26) ‘risk assessment document’**  
25          **means a document containing—**

1           **“(A) an explanation of how haz-**  
2           **ards associated with a substance, ac-**  
3           **tivity, or condition have been identi-**  
4           **fied, quantified, and assessed; and**

5           **“(B) a statement by the preparer**  
6           **of the document accepting the find-**  
7           **ings of the document.**

8           **“(27) ‘risk management’ means the**  
9           **systematic application, by the owner or**  
10          **operator of a pipeline facility, of manage-**  
11          **ment policies, procedures, finite re-**  
12          **sources, and practices to the tasks of ana-**  
13          **lyzing, assessing, and controlling risk in**  
14          **order to protect employees, the general**  
15          **public, the environment, and pipeline fa-**  
16          **cilities.**

17          **“(28) ‘risk management plan’ means a**  
18          **management plan utilized by a gas or**  
19          **hazardous liquid pipeline facility owner**  
20          **or operator that encompasses risk man-**  
21          **agement.**

22          **“(29) ‘significant standard or regu-**  
23          **latory requirement’ means any safety or**  
24          **environmental standard or regulatory re-**  
25          **quirement, or closely related group of**

1       **safety or environmental standards or reg-**  
2       **ulatory requirements, that is likely to re-**  
3       **sult in annualized compliance costs in ex-**  
4       **cess of \$25,000,000.**

5               **“(30) ‘substitution risk’ means a po-**  
6       **tential risk to public safety or the envi-**  
7       **ronment from a significant standard, reg-**  
8       **ulatory requirement, or option designed**  
9       **to decrease other risks.”.**

10       **(b) GATHERING LINES.—Section 60101(b)(2)**  
11       **is amended by inserting “, if appropriate,”**  
12       **after “Secretary” the first place it appears.**

13       **SEC. 5. GENERAL AUTHORITY.**

14       **(a) MINIMUM SAFETY STANDARDS.—Section**  
15       **60102(a) is amended—**

16               **(1) by striking “(a)(1)” and inserting**  
17       **“(a)”;**

18               **(2) by striking paragraph (2);**

19               **(3) by redesignating subparagraphs**  
20       **(A), (B), and (C) as paragraphs (1), (2),**  
21       **and (3), respectively;**

22               **(4) in paragraph (1), as redesignated**  
23       **by paragraph (3) of this subsection, by**  
24       **striking “transporters of gas and hazard-**  
25       **ous liquid and to”; and**

1           **(5) by striking paragraph (3), as re-**  
2           **designated by paragraph (3) of this sub-**  
3           **section, and inserting the following:**

4           **“(3) shall include a requirement that**  
5           **all individuals who operate and maintain**  
6           **pipeline facilities must be qualified.**

7           **Such qualifications shall address the ability**  
8           **to recognize and react appropriately to ab-**  
9           **normal operating conditions that may indi-**  
10          **cate a dangerous situation or a condition ex-**  
11          **ceeding design limits. The operator of the**  
12          **pipeline facility shall ensure that employees**  
13          **who operate and maintain the facility are**  
14          **qualified.”.**

15          **(b) PRACTICABILITY AND SAFETY NEEDS**  
16          **STANDARDS.—Section 60102(b) is amended—**

17                  **(1) by striking “section 60103” and in-**  
18                  **serting “sections 60103 and 60112”;**

19                  **(2) in paragraph (1)(B) by inserting**  
20                  **“safety” after “pipeline”;**

21                  **(3) by striking “and” at the end of**  
22                  **paragraph (3);**

23                  **(4) in paragraph (4) by striking “con-**  
24                  **tribute to” and inserting “benefit”;**

1           **(5) by striking the period at the end**  
2           **of paragraph (4) and inserting “; and”;**  
3           **and**

4           **(6) by adding at the end the following**  
5           **new paragraph:**

6           **“(5) the comments and recommenda-**  
7           **tions of the Technical Pipeline Safety**  
8           **Standards Committee, the Technical Haz-**  
9           **ardous Liquid Pipeline Safety Standards**  
10           **Committee, or both, as appropriate.”.**

11           **(c) FACILITY OPERATION INFORMATION**  
12           **STANDARDS.—Section 60102(d) is amended in**  
13           **the first sentence—**

14           **(1) by inserting after “operating the**  
15           **facility” the following: “as required by**  
16           **the standards prescribed under this**  
17           **chapter”;**

18           **(2) by striking “to provide the infor-**  
19           **mation” and inserting “to make the infor-**  
20           **mation available”;** and

21           **(3) by inserting after “to the Sec-**  
22           **retary and an appropriate State official”**  
23           **the following: “as determined by the Sec-**  
24           **retary”.**

1       **(d) PIPE INVENTORY STANDARDS.—Section**  
2 **60102(e) is amended in the first sentence—**

3           **(1) by striking “and, to the extent the**  
4 **Secretary considers necessary, an opera-**  
5 **tor of a gathering line that is not a regu-**  
6 **lated gathering line (as defined under**  
7 **section 60101(b)(2) of this title),”; and**

8           **(2) by striking “transmission” and in-**  
9 **serting “transportation”.**

10 **(e) SMART PIGS.—**

11           **(1) MINIMUM SAFETY STANDARDS.—Sec-**  
12 **tion 60102(f) is amended by striking “(1)”**  
13 **and all that follows through “device.” and**  
14 **inserting the following:**

15           **“(1) MINIMUM SAFETY STANDARDS.—The**  
16 **Secretary shall prescribe minimum safety**  
17 **standards requiring that the design and**  
18 **construction of a new gas or hazardous**  
19 **liquid pipeline transmission facility be**  
20 **carried out, to the extent practicable, in**  
21 **a way that accommodates the passage**  
22 **through the facility of an instrumented**  
23 **internal inspection device (commonly re-**  
24 **ferred to as a ‘smart pig’). The Secretary**  
25 **shall also prescribe minimum safety**

1 standards requiring that when a segment  
2 of an existing gas or hazardous liquid  
3 pipeline transmission facility is replaced,  
4 to the extent practicable, the replace-  
5 ment segment can accommodate the pas-  
6 sage of an instrumented internal inspec-  
7 tion device. The Secretary may apply the  
8 standard to an existing gas or hazardous  
9 liquid facility and require the facility to  
10 be changed to allow the facility to be in-  
11 spected with an instrumented internal in-  
12 spection device if the basic construction  
13 of the facility will accommodate the de-  
14 vice.”.

15 (2) PERIODIC INSPECTIONS.—Section  
16 60102(f) is further amended—

17 (A) in paragraph (2) by inserting  
18 “PERIODIC INSPECTIONS.—” after “(2)”;

19 (B) in paragraph (2) by inserting  
20 after “the Secretary shall prescribe”  
21 the following: “, if necessary, addi-  
22 tional”; and

23 (C) by moving paragraph (2) 2  
24 ems to the right.

1       **(f) UPDATING STANDARDS.—Section 60102 is**  
2 **amended by adding at the end the following:**

3       **“(l) UPDATING STANDARDS.—The Secretary**  
4 **shall, to the extent appropriate and prac-**  
5 **ticable, update incorporated industry stand-**  
6 **ards that have been adopted as part of the**  
7 **Federal pipeline safety regulatory program.”.**

8 **SEC. 6. RISK MANAGEMENT.**

9       **Chapter 601 is further amended by adding**  
10 **at the end the following new section:**

11 **“§60127. Risk management**

12       **“(a) RISK MANAGEMENT DEMONSTRATION**  
13 **PROJECT.—The Secretary of Transportation**  
14 **shall carry out a project with voluntary par-**  
15 **ticipation by owners and operators of pipe-**  
16 **line facilities to demonstrate applications of**  
17 **risk management. The purpose of the project**  
18 **shall be to evaluate the safety and cost effec-**  
19 **tiveness of such applications.**

20       **“(b) EXEMPTION.—During the period of the**  
21 **demonstration project carried out under this**  
22 **section, the Secretary may exempt owners**  
23 **and operators participating in the project**  
24 **from compliance with some or all of the stand-**  
25 **ards and regulatory requirements that would**

1 **otherwise apply to such owners and operators**  
2 **under this chapter. In addition, the Secretary**  
3 **shall exempt such owners and operators from**  
4 **complying with standards and regulatory re-**  
5 **quirements promulgated under this chapter**  
6 **during the period of such participation with**  
7 **respect to facilities included in the project.**

8 **“(c) REQUIREMENTS.—In carrying out the**  
9 **demonstration project under this section, the**  
10 **Secretary shall—**

11 **“(1) invite owners and operators of**  
12 **pipeline facilities to submit risk manage-**  
13 **ment plans for timely approval by the**  
14 **Secretary;**

15 **“(2) ensure that the approved risk**  
16 **management plans under the project con-**  
17 **tain measures that are designed to**  
18 **achieve an equivalent or greater overall**  
19 **level of safety than would otherwise be**  
20 **achieved by complying with the stand-**  
21 **ards and regulatory requirements of this**  
22 **chapter; and**

23 **“(3) ensure that the project incor-**  
24 **porates the following elements:**

25 **“(A) collaborative training;**

1           **“(B) methods to measure the per-**  
2           **formance of risk management plans;**

3           **“(C) development and application**  
4           **of new technologies;**

5           **“(D) promotion of community**  
6           **awareness;**

7           **“(E) development of a model to**  
8           **categorize the risks inherent to a se-**  
9           **lected pipeline facility, considering**  
10          **the location, volume, pressure, and**  
11          **material transported or stored by the**  
12          **facility;**

13          **“(F) application of risk assess-**  
14          **ment and risk management meth-**  
15          **odologies suitable to the inherent**  
16          **risks determined to exist by the**  
17          **model developed under subparagraph**  
18          **(E);**

19          **“(G) development of project ele-**  
20          **ments needed to ensure that owners**  
21          **and operators participating in the**  
22          **project demonstrate that risks are**  
23          **being effectively managed and that**  
24          **risk management plans carried out**  
25          **under the project can be audited;**

1           **“(H) a process for making amend-**  
2           **ments, modifications, and adjust-**  
3           **ments to approved risk management**  
4           **plans under the project as agreed to**  
5           **by owners and operators carrying out**  
6           **such plans and the Secretary; and**

7           **“(I) such other elements as the**  
8           **Secretary and owners and operators**  
9           **participating in the project may**  
10          **agree would further the purposes of**  
11          **this section.**

12          **“(d) EMERGENCIES.—In the case of an**  
13          **emergency, the Secretary may suspend or re-**  
14          **voke the participation of an owner or opera-**  
15          **tor in the demonstration project carried out**  
16          **under this section.**

17          **“(e) REPORT.—Not later than March 31,**  
18          **1999, the Secretary shall transmit to Congress**  
19          **a report on the results of the demonstration**  
20          **project carried out under this section to-**  
21          **gether with an evaluation of the project and**  
22          **recommendations on whether or not the ap-**  
23          **plications demonstrated under the project**  
24          **should be made a permanent part of the Fed-**  
25          **eral pipeline safety program.”.**

1 SEC. 7. INSPECTION AND MAINTENANCE.

2 **Section 60108 is amended—**

3 **(1) in subsection (a)(1) by striking**  
4 **“transporting gas or hazardous liquid or”**  
5 **each place it appears;**

6 **(2) in subsection (b)(2) by striking the**  
7 **second sentence;**

8 **(3) in the heading to subsection (c) by**  
9 **striking “NAVIGABLE WATERS” and insert-**  
10 **ing “OTHER WATERS”; and**

11 **(4) by striking clause (ii) of sub-**  
12 **section (c)(2)(A) and inserting the follow-**  
13 **ing:**

14 **“(ii) any other pipeline facility cross-**  
15 **ing under, over, or through waters where**  
16 **a substantial likelihood of commercial**  
17 **navigation exists if the Secretary decides**  
18 **that the location of the facility in those**  
19 **waters could pose a hazard to navigation**  
20 **or public safety.”.**

21 SEC. 8. HIGH-DENSITY POPULATION AREAS AND ENVIRON-  
22 MENTALLY SENSITIVE AREAS.

23 **(a) IDENTIFICATION.—Section**  
24 **60109(a)(1)(B)(i) is amended by striking “a**  
25 **navigable waterway (as the Secretary defines**  
26 **by regulation)” and inserting “waters where a**

1 **substantial likelihood of commercial naviga-**  
2 **tion exists”.**

3 **(b) UNUSUALLY SENSITIVE AREAS.—Section**  
4 **60109(b) is amended to read as follows:**

5 **“(b) AREAS TO BE INCLUDED AS UNUSUALLY**  
6 **SENSITIVE.—When describing areas that are**  
7 **unusually sensitive to environmental damage**  
8 **if there is a hazardous liquid pipeline acci-**  
9 **dent, the Secretary shall consider areas**  
10 **where a pipeline rupture would likely cause**  
11 **permanent or long-term environmental dam-**  
12 **age, including—**

13 **“(1) locations near pipeline rights-of-**  
14 **way that are critical to drinking water,**  
15 **including intake locations for community**  
16 **water systems and critical sole source aqu-**  
17 **ifer protection areas; and**

18 **“(2) locations near pipeline rights-of-**  
19 **way which have been identified as criti-**  
20 **cal wetlands, riverine or estuarine sys-**  
21 **tems, National Parks, wilderness areas,**  
22 **wildlife preservation areas and refuges,**  
23 **wild and scenic rivers, or critical habitat**  
24 **areas for threatened and endangered spe-**  
25 **cies.”.**

1 **SEC. 9. EXCESS FLOW VALUES.**

2 **Section 60110 is amended—**

3 **(1) in subsection (b) by inserting “, if**  
4 **any,” after “circumstances”;**

5 **(2) in subsection (b)(4) by inserting “,**  
6 **operating, and maintaining” after “cost of**  
7 **installing”;**

8 **(3) in subsection (c)(1)(C) by inserting**  
9 **“, maintenance, and replacement” after**  
10 **“installation”; and**

11 **(4) in subsection (e) by inserting after**  
12 **the first sentence the following: “The Sec-**  
13 **retary may adopt industry accepted per-**  
14 **formance standards in order to comply**  
15 **with this requirement.”.**

16 **SEC. 10. CUSTOMER-OWNED NATURAL GAS SERVICE LINES.**

17 **Section 60113 is amended—**

18 **(1) by striking “(a) MAINTENANCE IN-**  
19 **FORMATION.—”; and**

20 **(2) by striking subsection (b).**

21 **SEC. 11. ONE-CALL NOTIFICATION SYSTEMS.**

22 **(a) APPLICATION.—Section 60114(a) is**  
23 **amended—**

24 **(1) in paragraph (1) by striking “the**  
25 **system apply to”;**

1           **(2) in paragraph (1) by inserting be-**  
2           **fore the period “be covered by a system”;**

3           **(3) in each of paragraphs (1), (2), (3),**  
4           **(6), (7), (8), and (9) by striking “a” the**  
5           **first place it appears and inserting “A”;**

6           **(4) in paragraph (4) by striking**  
7           **“qualifications” and inserting “Qualifica-**  
8           **tions”;** and

9           **(5) in paragraph (5) by striking “pro-**  
10          **cedures” and inserting “Procedures”.**

11          **(b) SANCTIONS.—Section 60114(a)(9) is fur-**  
12          **ther amended by striking “60120, 60122, and**  
13          **60123” and inserting “60120 and 60122”.**

14          **SEC. 12. TECHNICAL SAFETY STANDARDS COMMITTEES.**

15          **(a) PEER REVIEW.—Section 60115(a) is**  
16          **amended by adding at the end the following:**  
17          **“The Committees shall serve as peer review**  
18          **committees for carrying out this chapter.**  
19          **Peer reviews conducted by the Committees**  
20          **shall be treated for purposes of all Federal**  
21          **laws relating to risk assessment and peer re-**  
22          **view (including laws approved after the date**  
23          **of the enactment of the Pipeline Safety Act of**  
24          **1995) as meeting any peer review require-**  
25          **ments of such laws.”.**

1       **(b) COMPOSITION AND APPOINTMENT.—Sec-**  
2 **tion 60115(b) is amended—**

3           **(1) in paragraph (1) by inserting “or**  
4 **risk management” before the period at**  
5 **the end of the last sentence;**

6           **(2) in paragraph (2) by inserting “or**  
7 **risk management” before the period at**  
8 **the end of the last sentence;**

9           **(3) in paragraph (3)(B) by striking “4”**  
10 **and inserting “5”;**

11           **(4) in paragraph (3)(C) by striking “6”**  
12 **and inserting “5”;**

13           **(5) in paragraph (4)(B) by adding at**  
14 **the end the following: “At least 1 of the**  
15 **individuals selected for each committee**  
16 **under paragraph (3)(B) must have edu-**  
17 **cation, background, or experience in risk**  
18 **assessment and cost-benefit analysis. The**  
19 **Secretary shall consult with the national**  
20 **organizations representing the owners**  
21 **and operators of pipeline facilities before**  
22 **selecting individuals under paragraph**  
23 **(3)(B).”;** and

24           **(6) in paragraph (4)(C) by inserting**  
25 **after the first sentence the following: “At**

1       **least 1 of the individuals selected for**  
2       **each committee under paragraph (3)(C)**  
3       **must have education, background, or ex-**  
4       **perience in risk assessment and cost-ben-**  
5       **efit analysis.”.**

6       **(c) COMMITTEE REPORTS.—Section 60115(c)**  
7       **is amended—**

8               **(1) by inserting “or regulatory re-**  
9               **quirement” after “standard” each place it**  
10              **appears in paragraphs (1), (2), and (3);**

11              **(2) in paragraph (1)(A) by inserting**  
12              **after “gas pipeline facilities” the follow-**  
13              **ing: “, including the risk assessment doc-**  
14              **ument, cost-benefit, and other analyses**  
15              **supporting each proposed standard or**  
16              **regulatory requirement”;**

17              **(3) in paragraph (1)(B) by inserting**  
18              **after “hazardous liquid pipeline facili-**  
19              **ties” the following: “, including the risk**  
20              **assessment document, cost-benefit, and**  
21              **other analyses supporting each proposed**  
22              **standard or regulatory requirement”;** and

23              **(4) in paragraph (2)—**

1           **(A) by inserting “and supporting**  
2           **analyses” before the first comma in**  
3           **the first sentence;**

4           **(B) by inserting “and submit to**  
5           **the Secretary” after “prepare” in the**  
6           **first sentence;**

7           **(C) by inserting “cost effective-**  
8           **ness,” after “reasonableness,” in the**  
9           **first sentence;**

10           **(D) by inserting “together with**  
11           **recommended actions” before the pe-**  
12           **riod at the end of the first sentence;**  
13           **and**

14           **(E) by inserting “any rec-**  
15           **ommended actions and” after “includ-**  
16           **ing” in the second sentence.**

17           **(d) PROPOSED COMMITTEE STANDARDS AND**  
18           **REGULATORY REQUIREMENTS.—Section**  
19           **60115(d)(1) is amended by inserting “or regu-**  
20           **latory requirement” after “standard” each**  
21           **place it appears;**

22           **(e) MEETINGS.—Section 60115(e) is amend-**  
23           **ed by striking “twice” and inserting “4 times”.**

24           **(f) EXPENSES.—Section 60115(f) is amend-**  
25           **ed—**

1           **(1) in the subsection heading by strik-**  
2           **ing “PAY AND”;**

3           **(2) by striking the first two sentences;**  
4           **and**

5           **(3) by inserting “of a committee**  
6           **under this section” after “A member”.**

7   **SEC. 13. PUBLIC EDUCATION PROGRAMS.**

8           **Section 60116 is amended—**

9           **(1) by striking “person transporting**  
10          **gas” and inserting “owner or operator of**  
11          **a gas pipeline facility”;**

12          **(2) by inserting “the use of damage**  
13          **prevention (‘one-call’) systems prior to**  
14          **excavation,” after “educate the public**  
15          **on”; and**

16          **(3) by inserting a comma after “gas**  
17          **leaks”.**

18   **SEC. 14. ADMINISTRATIVE.**

19          **Section 60117 is amended by adding at the**  
20          **end the following:**

21          **“(k) AUTHORITY FOR COOPERATIVE AGREE-**  
22          **MENTS.—To carry out this chapter, the Sec-**  
23          **retary may enter into grants, cooperative**  
24          **agreements, and other transactions with any**  
25          **person, agency, or instrumentality of the**

1 **United States, any unit of State or local gov-**  
2 **ernment, any educational institution, and any**  
3 **other entity to further the objectives of this**  
4 **chapter. Such objectives include, but are not**  
5 **limited to, the development, improvement,**  
6 **and promotion of one-call damage prevention**  
7 **programs, research, risk assessment, and**  
8 **mapping.”.**

9 **SEC. 15. COMPLIANCE AND WAIVERS.**

10 **Section 60118 is amended by adding at the**  
11 **end the following:**

12 **“(e) COMPLIANCE WITH RISK MANAGEMENT**  
13 **PLANS.—Owners and operators that are par-**  
14 **ticipating in the demonstration project under**  
15 **section 60127 shall be considered to be in**  
16 **compliance with any prescribed safety stand-**  
17 **ard or regulatory requirement that is covered**  
18 **by an approved plan under section 60127.”.**

19 **SEC. 16. DAMAGE REPORTING.**

20 **Section 60123(d)(2) is amended—**

21 **(1) by striking “or” at the end of sub-**  
22 **paragraph (A);**

23 **(2) by redesignating subparagraph**  
24 **(B) as subparagraph (C); and**

1           **(3) by inserting after subparagraph**  
2           **(A) the following:**

3                   **“(B) a pipeline facility and does**  
4                   **not report the damage promptly to**  
5                   **the operator of the pipeline facility**  
6                   **and other appropriate authorities;**  
7                   **or”.**

8   **SEC. 17. ANNUAL REPORTS.**

9           **Section 60124 and the item relating to**  
10          **such section in the analysis for chapter 601**  
11          **are repealed.**

12   **SEC. 18. POPULATION ENCROACHMENT.**

13          **(a) IN GENERAL.—Chapter 601 is amended**  
14          **by inserting after section 60123 the following**  
15          **new section:**

16          **“§60124. Population encroachment**

17               **“(a) LAND USE RECOMMENDATIONS.—The**  
18          **Secretary of Transportation shall make avail-**  
19          **able to an appropriate official of each State,**  
20          **as determined by the Secretary, the land use**  
21          **recommendations of the Transportation Re-**  
22          **search Board’s Special Report 219, entitled**  
23          **‘Pipelines and Public Safety’.**

24               **“(b) EVALUATION.—The Secretary shall**  
25          **evaluate the recommendations in the report**

1 referred to in subsection (a), determine to  
2 what extent the recommendations are being  
3 implemented, consider ways to improve im-  
4 plementation of the recommendations, and  
5 consider other initiatives to further improve  
6 awareness of local planning and zoning enti-  
7 ties regarding issues involved with popu-  
8 lation encroachment in proximity to the  
9 rights-of-ways of any interstate gas pipeline  
10 facility or interstate hazardous liquid pipe-  
11 line facility.”.

12 **(b) CONFORMING AMENDMENT.**—The analy-  
13 sis for chapter 601 is amended by inserting  
14 after the item relating to section 60123 the fol-  
15 lowing:

“60124. Population encroachment.”.

16 **SEC. 19. USER FEES.**

17 **Within 6 months after the date of the en-**  
18 **actment of this Act, the Secretary of Trans-**  
19 **portation shall transmit to the Congress a re-**  
20 **port analyzing whether the assessment of**  
21 **pipeline safety user fees solely on the basis of**  
22 **mileage is the most appropriate measure of**  
23 **the resources used by the Department of**  
24 **Transportation in the regulation of pipeline**

1 **transportation, or whether another basis of**  
2 **assessment might be more appropriate.**

3 **SEC. 20. DUMPING WITHIN PIPELINE RIGHTS-OF-WAY.**

4 **(a) AMENDMENT.—Chapter 601 is amended**  
5 **by adding at the end the following new sec-**  
6 **tion:**

7 **“§ 60128. Dumping within pipeline rights-of-way**

8 **“(a) PROHIBITION.—No person shall exca-**  
9 **vate for the purpose of unauthorized disposal**  
10 **within the right-of-way of an interstate gas**  
11 **pipeline facility or interstate hazardous liq-**  
12 **uid pipeline facility, or any other limited area**  
13 **in the vicinity of any such interstate pipeline**  
14 **facility established by the Secretary of Trans-**  
15 **portation, and dispose solid waste therein.**

16 **“(b) DEFINITION.—For purposes of this sec-**  
17 **tion, the term ‘solid waste’ has the meaning**  
18 **given such term in section 1004(27) of the**  
19 **Solid Waste Disposal Act (42 U.S.C. 6903(27)).”.**

20 **(b) CONFORMING AMENDMENTS.—(1) Sec-**  
21 **tions 60122 and 60123 are amended by strik-**  
22 **ing “or 60118(a)” and inserting in lieu thereof**  
23 **“, 60118(a), or 60128”.**

1       **(2) The table of sections of chapter 601 is**  
2 **amended by adding at the end the following**  
3 **new item:**

**“60128. Dumping within pipeline rights-of-way.”.**

4 **SEC. 21. PREVENTION OF DAMAGE TO PIPELINE FACILI-**  
5                   **TIES.**

6       **Section 60117(a) is amended by inserting**  
7 **after “and training activities” the following:**  
8 **“and promotional activities relating to pre-**  
9 **vention of damage to pipeline facilities”.**

10 **SEC. 22. TECHNICAL CORRECTIONS.**

11       **(a) SECTION 60105.—The heading to sec-**  
12 **tion 60105 is amended by inserting “pipeline**  
13 **safety program” after “State”.**

14       **(b) SECTION 60106.—The heading to sec-**  
15 **tion 60106 is amended by inserting “pipeline**  
16 **safety” after “State”.**

17       **(c) SECTION 60107.—The heading to section**  
18 **60107 is amended by inserting “pipeline safe-**  
19 **ty” after “State”.**

20       **(d) CHAPTER ANALYSIS.—The analysis for**  
21 **chapter 601 is amended—**

22           **(1) in the item relating to section**  
23       **60105 by inserting “pipeline safety pro-**  
24       **gram” after “State”;**

1           **(2) in the item relating to section**  
2           **60106 by inserting “pipeline safety” after**  
3           **“State”; and**

4           **(3) in the item relating to section**  
5           **60107 by inserting “pipeline safety” after**  
6           **“State”.**

7 **SEC. 23. AUTHORIZATIONS OF APPROPRIATION.**

8           **(a) GAS AND HAZARDOUS LIQUID.—Section**  
9           **60125(a) is amended to read as follows:**

10          **“(a) GAS AND HAZARDOUS LIQUID.—Not**  
11          **more than the following amounts may be ap-**  
12          **propriated to the Secretary of Transportation**  
13          **for carrying out this chapter (except sections**  
14          **60107 and 60114(b)) related to gas and hazard-**  
15          **ous liquid:**

16               **“(1) \$9,936,000 for fiscal year 1996.**

17               **“(2) \$10,512,000 for fiscal year 1997.**

18               **“(3) \$11,088,000 for fiscal year 1998.**

19               **“(4) \$11,664,000 for fiscal year 1999.”.**

20          **(b) REPEAL.—Section 60125(b) is repealed.**

21          **(c) STATE GRANTS.—Section 60125(c)(1) is**  
22          **amended by adding at the end the following:**

1           **“(D) \$10,764,000 for fiscal year 1996.**

2           **“(E) \$11,388,000 for fiscal year 1997.**

3           **“(F) \$12,012,000 for fiscal year 1998.**

4           **“(G) \$12,636,000 for fiscal year 1999.”.**

HR 1323 RH—2

HR 1323 RH—3

HR 1323 RH—4

HR 1323 RH—5

**Union Calendar No. 58**

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 1323**

**[Report No. 104-110, Parts I and II]**

---

---

**A BILL**

To reduce risk to public safety and the environment associated with pipeline transportation of natural gas and hazardous liquids, and for other purposes.

---

---

JUNE 1, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed