

American Gas Association Summary of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 Passed by Congress on December 13, 2011

SECTION	SUMMARY	DEADLINE
SEC. 2. CIVIL PENALTIES	<ul style="list-style-type: none"> • Increased from \$100,000 per day/ \$1,000,000 per related series of violations to \$200,000 per day/\$2,000,000 per related series of violations • Eliminates “ability to pay” limitation • Operator Assistance in Investigations- If DOT or NTSB investigates an accident or incident involving a pipeline facility, the operator must make all records and information pertaining to the accident or incident available, including integrity management plans and test results • Allows DOT to impose a civil penalty on a person who obstructs inspections or investigations • Clarifies that maximum civil penalties for administrative enforcement actions do not apply to enforcement actions under this section 	
SEC.3. PIPELINE DAMAGE PREVENTION.	<ul style="list-style-type: none"> • Defines the minimum standards for a State one-call program to qualify for grants. Amendments effective 2 yrs. after enactment. In order to qualify for a Federal grant, a State program must include: <ul style="list-style-type: none"> • Appropriate participation by all underground operators, including all government operators • Appropriate participation by all excavators, including government and contract excavators • Flexible and effective enforcement under State law with respect to participation in, and use of one-call notification systems • May not exempt municipal, State agencies , or their contractors from one-call notification requirements • Requires DOT to conduct a study on the impact of excavation damage on pipeline safety, and report to Congress not later than 2 yrs. after enactment. The study must include: <ul style="list-style-type: none"> • Analysis of frequency and severity of different types of excavation damage incidents • Analysis of exemptions to one-call notification requirements in each State • Comparison of exemptions to one-call requirements to types of excavation incidents in each State • Analysis of potential safety benefits and adverse consequences of eliminating all exemptions for mechanized excavation from State one-call notification systems 	<p>Amendments effective 2 years after enactment</p> <p>Report to Congress not later than 2 years after enactment</p>

<p>SEC.4. AUTOMATIC AND REMOTE-CONTROLLED SHUT-OFF VALVES.</p>	<ul style="list-style-type: none"> • Mandates DOT, not later than 2 yrs. after enactment and if appropriate, to require by regulation the use of automatic or remote-controlled shut-off valves, or equivalent technology, where economically, technically, and operationally feasible on transmission pipeline facilities constructed or entirely replaced after DOT issues the final rule • Requires the Comptroller General of the US to conduct a study on the ability of transmission pipeline operators to respond to a HL or gas release from a pipeline segment located in a HCA and report to Congress not later than 1 yr. after enactment. The study must consider the swiftness of leak detection and pipeline shutdown capabilities, location of the nearest response personnel, and the costs, risks and benefits of installing automatic and remote-controlled shut-off valves 	<p>Regulation, if any, not later than 2 years after enactment</p> <p>Report to Congress not later than 1 year after enactment</p>
<p>SEC.5. INTEGRITY MANAGEMENT.</p>	<ul style="list-style-type: none"> • Requires the DOT to evaluate, not later than 18 mos. after enactment: <ul style="list-style-type: none"> • Whether TIMP requirements, or elements thereof, should be expanded beyond HCAs; and • If applying TIMP requirements, or elements thereof, to additional areas would mitigate the need for class location requirements • The DOT evaluation must include the following factors: <ul style="list-style-type: none"> • Continuing priority to enhance protections for public safety • Continuing importance of reducing risk in HCAs • Incremental costs of applying IM standards to pipelines outside of HCAs where operators are already conducting assessments beyond requirements • The need to perform IM assessments and repairs in a manner that is achievable and sustainable, and that does not disrupt pipeline service • Options for phasing in extension of IM requirements beyond HCAs, including effective/efficient options for decreasing risks to an increasing number of people in proximity to pipelines • Appropriateness of applying repair criteria, such as pressure reductions and requirements for scheduling remediation, to areas that are not HCAs • Requires DOT to submit a report to Congress, based on the evaluation above, not later than 2 yrs. after enactment, regarding: <ul style="list-style-type: none"> • Expansion of IM requirements, or elements thereof, beyond HCAs • Whether applying IM requirements, or elements thereof, to additional areas would mitigate the need for class location requirements • Requires DOT to issue regulations as soon as practical, after the Congressional “review period”, if the evaluation finds that IM requirements, or elements thereof, should be expanded beyond HCAs and if applying IM requirements, or elements thereof, to additional areas would mitigate the need for class location requirements. The “review period” is the earlier of 1 yr. after completion of the report or 3 yrs. after enactment. The regulation, if any, issued by DOT would: <ul style="list-style-type: none"> • Expand IM system requirements, or elements thereof, beyond HCAs; and • Remove redundant class location requirements for gas transmission pipeline facilities regulated under an IM program 	<p>Evaluation not later than 18 months after enactment</p> <p>Report to Congress not later than 2 years after enactment</p> <p>Regulations, if any, as soon as practical after Congressional review. Review period is earlier of 1 year after report or 3 years after enactment</p>

	<ul style="list-style-type: none"> • Note: Notwithstanding the review period, DOT may issue IM regulations if a condition that poses a risk to public safety or an imminent hazard exists • Confirms requirements for periodic IM reassessments at a minimum of once every 7 calendar years. DOT may extend reassessments an additional 6 months if an operator submits written notice with sufficient justification • Requires the Comptroller General of the US to evaluate and report to Congress not later than 2 yrs. after enactment: <ul style="list-style-type: none"> • Whether risk-based reassessment intervals are more effective for managing risks to pipelines in HCAs than the 7 yr. reassessment interval, once the baseline assessments are complete • Number of anomalies found in baseline assessments compared to reassessments • Progress made in implementing recommendations in GAO Report 06-945 and current relevance of recommendations not yet implemented • Requires operators to consider seismicity of the area in identifying and evaluating threats to a pipeline segment (SEC.29.) 	<p>IM reassessments every 7 years</p> <p>Report to Congress not later than 2 years after enactment</p>
<p>SEC.6. PUBLIC EDUCATION AND AWARENESS.</p>	<ul style="list-style-type: none"> • Requires DOT to maintain, as part of the NPMS, a map of designated HCA areas where operators must meet IM regulations, excluding proprietary and sensitive security information. Maps to be updated biennially • Requires DOT, not later than 1 yr. after enactment, to develop and implement a program promoting greater awareness of the NPMS to State and local emergency responders and other interested parties • Requires DOT, not later than 18 mos. after enactment, to provide guidance to owners and operators of pipeline facilities on the importance of providing system-specific information about those facilities to emergency response agencies. DOT to consult with owners/operators to determine what information is currently provided 	<p>Program not later than 1 year after enactment</p> <p>Guidance not later than 18 months after enactment</p>
<p>SEC.7. CAST IRON GAS PIPELINES.</p>	<ul style="list-style-type: none"> • Requires DOT, not later than 12/31/2012 and every two years thereafter, to conduct a follow-up survey to measure the progress that owners and operators have made in adopting and implementing plans for the safe management and replacement of CI pipelines • Requires DOT, not later than 12/31/2013, to submit a report to Congress that: <ul style="list-style-type: none"> • Identifies the total mileage of CI gas pipelines in the US; and • Evaluates the progress that owners and operators have made in implementing their plans for the safe management and replacement of CI gas pipelines 	<p>Survey not later than 12/31/2012 / every 2 years thereafter</p> <p>Report to Congress not later than 12/31/2013</p>
<p>SEC.9. ACCIDENT AND INCIDENT NOTIFICATION.</p>	<ul style="list-style-type: none"> • Requires DOT to revise regulations under 191.5, not later than 18 mos. after enactment, to establish time limits for telephonic or electronic notice of accident and incidents to DOT and the National Response Center (NRC) • In revising the regulations DOT will, at a minimum: <ul style="list-style-type: none"> • Establish time limits for notification at the earliest practicable moment, not later than 1 hour, following the time of confirmed discovery 	<p>Regulations not later than 18 months after enactment</p>

	<ul style="list-style-type: none"> Review procedures of pipeline owners and operators and NRC to provide coordinated notification to all State and local emergency response officials, including 911 call centers, and revise the procedures as appropriate Require owners and operators to revise the initial notice to DOT and the NRC, within 48 hours of the accident or incident to the extent practicable, with an estimate of the amount of product released, the number of fatalities and injuries, if any, and any other information deemed appropriate by DOT. Based on this updated information, the NRC will update the initial report, rather than issue a new report 	
SEC.11. PIPELINE INFRASTRUCTURE DATA COLLECTION.	<ul style="list-style-type: none"> Expands the information that operators must submit to the NPMS to include any other geospatial or technical data that DOT determines necessary. Public disclosure of information is limited. 	
SEC.13. COST RECOVERY FOR DESIGN REVIEWS.	<ul style="list-style-type: none"> Allows DOT to recover the costs associated with design safety reviews, including construction inspections and oversight, in connection with a proposal to construct, expand, or operate a gas pipeline facility or LNG facility with design and construction costs at least \$2.5 billion. DOT must prescribe a fee structure and assessment methodology based on costs to perform the reviews Requires the project applicant to notify DOT and provide design specifications, construction plans, procedures and related materials at least 120 days prior to commencement of construction. DOT will make best efforts to provide written comments, feedback, and guidance on the project not later than 90 days after receiving materials from applicant No additional DOT authority to require applicant to obtain permits prior to design and construction Establishes Pipe Safety Design Review Fund in the Treasury Requires DOT to issue guidance, not later than 1 yr. after enactment, to clarify “new or novel technologies or design” 	Guidance not later than 1 year after enactment
SEC.19. MAINTENANCE OF EFFORT.	<ul style="list-style-type: none"> Allows DOT to grant a waiver, for fiscal years 2012 and 2013, to a State for the inability to maintain or increase the required funding of the State’s pipeline safety program at or above the level required for Federal funding if the State can demonstrate economic hardship. DOT may also grant waivers for fiscal year 2014 and beyond with a similar demonstration of economic hardship 	
SEC.21. GAS AND HAZARDOUS LIQUID GATHERING LINES.	<ul style="list-style-type: none"> Requires DOT to conduct a review of Federal and State regulations for gas and HL gathering lines located onshore and offshore in US Requires DOT, not later than 2 yrs. after enactment, to submit a report on results of the review to Congress, including recommendations regarding: <ul style="list-style-type: none"> Sufficiency of existing Federal and State laws and regulations to ensure safety of gas and HL gathering lines Economic impacts, technical practicality, and challenges of applying existing Federal regulations to non-regulated gathering lines compared to public safety benefits The need to modify or revoke existing exemptions from Federal regulation, based on risk assessment 	Report to Congress not later than 2 years after enactment

SEC.22. EXCESS FLOW VALVES.	<ul style="list-style-type: none"> Requires DOT to issue a final report on evaluation of the NTSB’s recommendation on excess flow valves in applications other than service lines to SFR. After the final report, and not later than 2 yrs. after enactment, requires the DOT, if appropriate, to issue regulations requiring the use of EFVs, or equivalent technology, where economically, technically, and operationally feasible on new or entirely replaced distribution branch services, multi-family facilities, and small commercial facilities 	Report and regulations, if any, not later than 2 years after enactment
SEC.23. MAXIMUM ALLOWABLE OPERATING PRESSURE.	<ul style="list-style-type: none"> Mandates DOT to require owners/operators to conduct, not later than 6 mo. after enactment, a verification of records related to interstate and intrastate gas transmission lines in class 3 and class 4 locations and class 1 and class 2 HCAs to ensure that the records accurately reflect the physical and operational characteristics of the pipelines and confirm the established MAOP of the pipelines. The verification will include elements considered appropriate by DOT Owners/operators of gas transmission lines, in locations specified above, must identify and submit to DOT, not later than 18 mos. after enactment, documentation related to segments for which the records are insufficient to confirm the established MAOP Owners/operators must report exceedances of gas transmission MAOP greater than the allowable buildup of pressure-limiting devices or control devices to DOT and appropriate State authorities within 5 days of occurrence For pipelines with insufficient MAOP records, DOT must: <ul style="list-style-type: none"> Require the owner/operator to reconfirm a MAOP as expeditiously as economically feasible; and Determine what actions are appropriate until a MAOP is confirmed. DOT must take into account potential consequence to public safety and the environment, impacts on pipeline system reliability and deliverability, and other factors , as appropriate Requires DOT to issue regulations, not later than 18 mos. after enactment, for conducting tests to confirm the material strength of previously untested gas transmission lines in HCAs that operate at a pressure > 30 % SMYS. DOT must consider safety testing methodologies, including pressure testing, and other alternative methods, including ILI, determined by DOT to be of equal or greater effectiveness Requires DOT, in consultation with FERC and State regulators, to establish the timeframes for mandated testing (see above) that account for potential consequences to public safety and the environment and that minimize costs and service disruptions 	MAOP records verification not later than 6 months after enactment Report insufficient MAOP records not later than 18 months after enactment Report MAOP exceedances within 5 days of occurrence Regulations not later than 18 months after enactment
SEC.24. LIMITATION ON INCORPORATION OF DOCUMENTS BY REFERENCE.	<ul style="list-style-type: none"> Restricts DOT from issuing guidance or regulations, beginning 1 yr. after enactment, that incorporates by reference any documents or portions of documents unless they are made available to the public, free of charge, on an Internet Web site. 	1 year after enactment
SEC.27. REPORT ON PIPELINE PROJECTS.	<ul style="list-style-type: none"> Requires the Comptroller General of the US to conduct a comprehensive study on the process of obtaining Federal and State permits for projects to construct pipeline facilities. The study must evaluate how long it takes to issue permits, the relationship between States and Federal Government in issuing permits, and recommendations from States for improving the process. The Comptroller must submit a report to Congress regarding the results of the study not later than 1 yr. after enactment 	Report to Congress not later than 1 year after enactment