



NEWS RELEASE

U.S. Department of the Interior
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MMS Proposes Modernization of Pipeline Regulations

Update Would Ensure Use of Current Technology in Pipeline Operations

WASHINGTON – The U.S. Department of the Interior’s Minerals Management Service (MMS) is proposing to revise the regulations covering pipelines and pipeline rights-of-way on the Outer Continental Shelf (OCS). The proposed rule will bring the regulations up to date with current MMS policies and selected industry practices.

The regulations were last revised in 1988. Since then, many industry standards covering pipelines have been written and revised, and MMS has issued several Notices to Lessees and Operators (NTLs) containing guidance on applying for, installing, maintaining, and decommissioning pipelines.

“The proposed revision of the MMS pipeline regulations will ensure the use of the best available and safest technologies related to pipeline operations on the OCS,” said MMS Director Randall Luthi.

The proposed rule can be reviewed in its entirety at: <http://www.mms.gov/federalregister/>.

Two new safety initiatives are included in the proposed rulemaking. MMS is proposing a requirement that companies submit to the MMS pipeline operations and maintenance manuals as well as pipeline integrity management and personnel training manuals. The proposed rule would also require that all pipeline risers attached to floating platforms be subject to a verification program – an independent third party review of the design, fabrication and installation of the pipeline risers -- similar to, but separate from, the platform verification program.

The proposed rule would require an increase in the Right of Way (ROW) bonding amount to more accurately reflect the actual liabilities in decommissioning pipelines. ROW bonds ensure companies have adequate funds in reserve for the eventual decommissioning and removal of pipelines. The proposed revisions would allow an ROW holder the option of choosing to cover the pipeline ROW with either a \$300,000 individual bond or a \$1,000,000 area bond—one that would cover all pipeline ROW grants held by a company in one MMS OCS Region.

MMS is also proposing to increase annual rental fees for pipeline ROW grants, currently \$15 per mile, to more closely reflect the guidelines established for new rights of use and easement (RUE) and pipeline accessory structures, which are based on acreage and would equal approximately \$125 per mile. The proposed rule stipulates rates of \$70 per mile, striking a balance between the ROW and RUE amounts.

MMS is accepting comments on the proposed rule for the next 120 days. Comments must be identified with RIN 1010-AD11 in the subject line, and will be accepted via one of the following methods through January 31, 2008.

- Federal eRulemaking Portal: <http://www.regulations.gov>.
- Email: rules.comments@mms.gov.
- Fax: 703-787-1546.

Mail or hand-carry: Minerals Management Service
Attention: Regulations and Standards Branch (RSB)
381 Elden Street, MS-4024
Herndon, Virginia 20170-4817

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