



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

OCT 23 2007

The Honorable Mark V. Rosenker
Chairman
National Transportation Safety Board
490 L'Enfant Plaza East, S.W.
Washington, DC 20594

Dear Chairman Rosenker:

This is in response to the National Transportation Safety Board (NTSB) Safety recommendations emerging from the October 27, 2004 hazardous liquid pipeline rupture that occurred near Kingman, Kansas. The NTSB issued three safety recommendations to the Pipeline and Hazardous Materials Safety Administration (PHMSA).

The NTSB recommended that PHMSA modify 49 CFR § 195.52 of the hazardous liquid regulations to require pipeline operators to have a procedure to calculate and provide a reasonable initial estimate of released product in the telephonic report to the National Response Center (NRC) (NTSB Safety Recommendation P-07-07). It also recommended that the regulations require pipeline operators to provide an additional telephonic report to the NRC if significant new information becomes available during the emergency response (NTSB Safety Recommendation P-07-08). The NTSB also recommended that PHMSA require operators to revise their pipeline risk assessment plans whenever they have failed to consider one or more risk factors that could affect pipeline integrity (NTSB Safety Recommendation P-07-09).

PHMSA takes the NTSB's recommendations seriously, and we are working diligently to address them. Regarding NTSB Safety Recommendations P-07-07 and P-07-08, PHMSA is examining possible solutions to obtain more accurate and timely information. PHMSA regulations now require operators to notify PHMSA in writing about significant changes in accidents they have reported. PHMSA is exploring the feasibility of having operators provide both initial and updated estimates of released product in telephonic reports to the NRC. This approach would require us to first modify our contract and funding arrangements with the NRC. Another approach PHMSA is considering would be to require submission of updated information on the estimated amount of released product through PHMSA's telephonic notification management system, which builds on the initial telephonic reports to the NRC. PHMSA is still considering the logistical and regulatory challenges of these approaches and looking for other solutions to address NTSB's recommendations. PHMSA anticipates providing a more detailed response in the near future.

Regarding NTSB Safety Recommendation P-07-09, PHMSA reviewed its current regulations to ensure that they are adequate. The Federal pipeline safety regulations require operators to develop a comprehensive risk analysis process and consider all relevant risk factors (49 CFR § 195.452(e)). During our integrity management inspections for hazardous liquid operators, we found that 37 percent of the operators failed to adequately develop a comprehensive risk analysis, and where appropriate, we have addressed deficiencies through enforcement actions. PHMSA also reviewed its inspection protocols for adequacy, and found that they contain explicit risk analysis criteria. Based on the NTSB recommendation, however, PHMSA is considering modifying the language in its enforcement actions to explicitly require the operator to ensure that it addresses all risk factors.

We will update you on the status of these initiatives this fall. Meanwhile, if you have any questions or comments, please feel free to contact me at (202) 366-4433.

Sincerely,



Stacey L. Gerard
Assistant Administrator/Chief Safety Officer