U.S. DEPARTMENT OF TRANSPORTATION

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**GAS PIPELINE ADVISORY COMMITTEE
(TECHNICAL PIPELINE SAFETY STANDARDS COMMITTEE)**

AND

**LIQUID PIPELINE ADVISORY COMMITTEE
(TECHNICAL HAZARDOUS LIQUID PIPELINE SAFETY STANDARDS COMMITTEE)**

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JOINT MEETING

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**TUESDAY
OCTOBER 21, 2014**

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The Joint Meeting convened in the Washington Georgetown Marriott, West End Ballroom, 1221 22nd St. N.W., at 1:00 p.m., Colette D. Honorable and Jeffrey Wiese, presiding.

GAS PIPELINE ADVISORY COMMITTEE MEMBERS:
HONORABLE COLETTE D. HONORABLE
DENISE M. BEACH
LINDA K. BREATHITT
MARK BROWNSTEIN
CHERYL F. CAMPBELL
J. ANDREW DRAKE
SUSAN L. FLECK
ROBERT W. HILL
DONALD J. STURSMA
RICHARD L. WORSINGER
JEFF C. WRIGHT
CHAD J. ZAMARIN

LIQUID PIPELINE ADVISORY COMMITTEE MEMBERS:

VADM(R)BRIAN SALERNO
LANNY W. ARMSTRONG
TIMOTHY C. FELT
MICHELE F. JOY
RICHARD B. KUPREWICZ
CHARLES LESNIAK, III
RONALD G. McCLAIN
CRAIG O. PIERSON
CARL M. WEIMER

DEPARTMENT STAFF PRESENT:
JEFF WIESE, Designated Federal Official
TIMOTHY BUTTERS, PHMSA
LINDA DAUGHERTY, PHMSA
STEPHEN DOMOTOR, PHMSA
JOHN GALE, PHMSA
SAM HALL, PHMSA
MIKE ISRANI, PHMSA
KENNETH LEE, PHMSA
ALAN MAYBERRY, PHMSA
DAVE MURK, PHMSA
STEVE NANNEY, PHMSA
KATE ROSENBERG, PHMSA
CAMERON SATTERTHWAITE, PHMSA
VANESSA ALLEN SUTHERLAND, PHMSA
VASILIKI TSAGANOS, PHMSA
CHERYL WHETSEL, PHMSA
NANCY WHITE, PHMSA

ALSO PRESENT:

BOBBY JAGGER, TECHNICAL WRITER

JULIA PAAJANEN, TECHNICAL WRITER

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P-R-O-C-E-E-D-I-N-G-S

1:03 p.m.

MR. WIESE: Good afternoon, everyone. Thank you for coming. My name is Jeff Wiese. I'm Associate Administrator for Pipeline Safety in PHMSA DOT. Good to see you all, and thank you for taking time out of your schedules to come in and join us.

I've got a few kind of quick remarks I'd like to make up-front before we actually get the meeting going. So I don't have to ask permission at this point, but after that I always have to ask for Colette's permission. She is always very gracious about giving me an opportunity, so I'm trying to stay on her good side as best I can.

So a couple of things I'm kind of inter-leading between some remarks that Cheryl suggested to me and some things that I wanted to do. But I'd be remiss if I don't start out by telling you that we want you to understand how to get out of the building should the need

arise. So very simple in this case. So for everyone in the audience and anyone here, out these doors, not those, out these doors down to the lobby. There will be people from the hotel will be up here, and they'll be in the lobby. And if necessary, they'll direct us out of the building and where to go. So very clear. Just out here. The escalators will stop. You can go down that way, and there's a fire exit door on the other side of that lobby. So making sure you know how to get out in the event of some form of an emergency.

The other portion is a comfort moment, and the restrooms are just out this door, if you need to know that. So I wanted to make sure you had that information.

I appreciate the indulgence of the Committee, as this is a joint meeting of both the Gas and Liquid Pipeline Advisory Committee meetings. I won't do this many more times, Cheryl; I promise. But I will say we have renamed the committees. I remember it used to

be I'd have to figure out DHLPSSC. So it's now just the Liquid Pipeline Advisory Committee and the Gas Pipeline Committee. There have been no other changes that you need to be concerned.

I run the meeting as what's called the designated government official. That's a FACA term. And I'm sort of the presiding official there.

A couple of other things just really quickly. I wanted to underscore the purpose of today's meeting so everybody can just have their minds right. This is a policy-only meeting, so we will not -- hey, Brian, good to see you -- and it's informal. We're not even on the record at this point, so I can stop temporarily.

But I wanted to say it's a policy-level meeting. There are no votes taking place. I'd like to have votes, and we hope to have some at the next meeting. We're working hard on that but none today. So today our job

is really just to kind of give you an update on a number of things that we're engaged in and to ask for your input and your advice. That's the purpose of this committee. So strictly a policy.

Your agendas -- I'm going to try to help you and hurt you a little bit on the agenda for today. I'm going to skip opening remarks because I'll probably have a an opportunity to talk a lot through this. I've been involved in a number of the presentations that we're going to have today and look forward -- with your permission, so I will ask for kind of an indication from the Committee you're okay with it, if we get ahead of calendar today, I'm thinking of moving the LNG discussion that's scheduled for tomorrow to today. I'm trying to be mindful of the fact we have a lot of people traveling tomorrow, and if we can get them out a little bit early. The schedule for today is a little lighter than tomorrow, and it might help us. So if

anybody has a travel conflict, you know, and really interested in the LNG, we'll reconsider that notion. So I'll mention a little bit later in the day, but I'm pretty sure we'll move to the end of today.

I'll remind everybody before we get going that there is a public record of the meeting. The meeting is transcribed. We ask that members, when you want to talk, it's very simple. You know, I think you just, you know, put your card up, and then we'll call on you. And state your name, if you would, and who you represent, and then go into it, because it is being transcribed.

I will say to the public that I really don't have an opportunity for public comment until the end of the day. I want to make sure we get through the agenda since we always will provide an opportunity if there's a vote, but there are no votes today. So I'm going to punt that to the end. Our purpose today is to hear from the Committee, so you'll

have opportunities, of course. And that's really what we're here for.

You should all have in your binders, the agenda will be fairly close to that. I do want to, before I turn it over to the Chair and get into the business of this, I would like to do a couple of things. One is I'd like to just take time out for people to introduce themselves. I think we're particularly thankful we have at least four new members here. So if you don't mind, the new members, Cheryl, Mark, and Linda -- I don't know if it's fair to call you a new member. He's an old friend but sort of new member. If you guys wouldn't mind just taking -- I have bios here, but if you wouldn't mind taking just a couple of seconds to tell us a little bit about yourselves. Otherwise, maybe it will start over at the far end with our friend from Marathon, Mr. 811 I'm proud to say. And we'll start and we'll do a quick round of introductions, including staff.

Maybe Cheryl, as we get to us, we'll introduce ourselves.

MR. PIERSON: Craig Pierson, Hazardous Liquids from Marathon Pipeline Company.

MR. KUPREWICZ: I've got to reach because my voice won't carry. Rick Kuprewicz representing the public on the Liquid Pipeline Advisory Committee.

MR. LESNIAK: Chuck Lesniak, Environmental Officer for the City of Austin, on the Liquids Committee representing the public.

MR. STURSMA: Don Stursma, Manager of Safety and Engineering, Iowa Utilities Board, Gas.

MS. FLECK: Good afternoon. Sue Fleck. I'm with National Grid, and I'm responsible for gas pipeline safety and compliance.

MR. ARMSTRONG: Lanny Armstrong, fire chief, City of Pasadena, Texas. Liquid

Pipeline.

MR. FELT: Tim Felt, Colonial Pipeline, Liquid Pipeline Advisory Committee.

MR. MCCLAIN: I'm Ron McClain, Kinder Morgan Energy Partners, Liquids Advisory Committee.

MS. BREATHITT: Good afternoon. I'm Linda Breathitt, Commissioner from the Kentucky Public Service Commission, and I'm one of the new members that Jeffrey just mentioned. And I'm very pleased to be here, and I look forward to meeting all of you. Thank you.

VICE ADMIRAL SALERNO: Hello. I'm Brian Salerno. I'm also a new member. I am a government representative. I'm currently the Director of the Bureau of Safety and Environmental Enforcement within the U.S. Department of the Interior. My bureau is, the shorthand is called BSEE. It makes it a little bit easier to say it. But what we focus on is offshore oil and gas exploration

and production. So it's the drilling and production side of things, which tie into a lot of the pipeline infrastructure offshore so natural linkage to this committee.

And I guess I should have mentioned I am part of the Liquid Pipeline Advisory Committee.

MR. DRAKE: Andy Drake from Spectra Energy. I'm with the Gas Committee.

MS. WHETSEL: I'm Cheryl Whetsel. I'm with the regulations group at PHMSA, and I'm also the committee manager. So just let me take a couple of seconds for little administrative things. I have a packet of materials going around with your names and bios and so forth. If you would, please, take a minute and look at it and make sure we have everything spelled right and make sure we have the most up-to-date bio you want us to post because it is on the website. And if anybody has any information about travel, please come and see me after the meeting.

MS. DAUGHERTY: Linda Daugherty. I am one of two of Jeff's deputies, and I focus on field operations.

MS. HONORABLE: I'm Colette Honorable. I chair the Arkansas Public Service Commission. And for about a month more, I'll be president. I'm at the end of this fun journey. And it's really a pleasure to chair this joint meeting and to get to interact with all of you. I want to welcome the older members back and especially the new ones. And a special, special welcome to my colleague, Linda Breathitt of Kentucky.

MR. BUTTERS: Good afternoon. My name is Tim Butters. I'm the Acting Administrator for PHMSA.

MR. MAYBERRY: Hi. I'm Alan Mayberry. I'm the Deputy Associate Administrator for Policy and Programs at PHMSA.

MR. SATTERTHWAITE: Cameron Satterthwaite, regulations, PHMSA.

MR. GALE: John Gale, Director of Standards and Rulemaking, PHMSA.

MR. BROWNSTEIN: Mark Brownstein. I am Associate Vice President and Chief Counsel of the U.S. Climate and Energy Program for the Environmental Defense Fund. And I'm a new member on this committee, on the natural gas side of things. I lead our oil and natural gas work at Environmental Defense Fund. It's focused on many things, but one of the issues that we're focused on are methane emissions associated with the production and distribution of natural gas. And we have a variety of studies underway, working with National Grid and others, looking at the entire natural gas supply chain and ways to make that tighter and more environmentally sound.

Prior to EDF, I spent time doing EH&S at an electric and gas utility, so I have some appreciation for that side of things. And prior to that was an air regulator from

the state of New Jersey. So I've had a chance to look at some of these issues from a variety of different perspectives, and I hope I can be helpful on this committee.

MR. WRIGHT: Jeff Wright, Federal Energy Regulatory Commission. And I'm on the Gas Pipeline Advisory Committee.

MS. CAMPBELL: Cheryl Campbell with Xcel Energy. I, too, am one of the newer members, and I'm responsible for the gas business at Xcel. Prior to Xcel, I worked for Colorado Interstate Gas and the Coastal Corporation, so I've spent my entire career in the gas pipeline side.

MR. HILL: I'm Robert Hill, Brookings County, South Dakota. I'm a public member of the Gas Pipeline Advisory Committee.

MS. BEACH: Denise Beach, National Fire Protection Association. I also represent the public on the Gas Pipeline Advisory Committee.

MR. WEIMER: Carl Weimer with the

Pipeline Safety Trust. I represent the public on the Liquid Committee.

MR. ZAMARIN: Chad Zamarin with Cheniere Energy on the Gas Committee.

MR. WORSINGER: Rich Worsinger with the City of Rocky Mount, North Carolina with the American Public Gas Association representing the Gas Committee.

MR. WIESE: Okay. Thank you so much. And I'd particularly like to thank the new members for joining. I hope you'll think this is fun. When you're over, you can talk with some of your colleagues over here. We will have bios that will go in here, so you'll get to know who everybody is pretty quickly. It's a fairly casual group.

Before we launch into things, I thought I would mention that we have some other folks from PHMSA here. Since you might run across them or have heard their names, I thought I would ask them to stand up. Nancy down there. You want to introduce yourselves?

MS. WHITE: I'm Nancy White, Senior Policy Advisor for the Office of Pipeline Safety.

MS. TSAGANOS: Vasiliki Tsaganos, Deputy Chief Counsel.

MS. ALLEN SUTHERLAND: Vanessa Allen Sutherland, Chief Counsel at PHMSA.

MR. HALL: I'm Sam Hall. I'm in the Program Development Office with PHMSA and work on damage prevention and emergency response issues.

MR. DOMOTOR: Good afternoon. I'm Stephen Domotor. I'm the Chief Safety Officer and Assistant Administrator for PHMSA.

MR. MURK: I'm Dave Murk. I'm the new Director of Field Operations.

MR. NANNEY: Steve Nanney, Project Manager of Engineering and Research at PHMSA.

MR. LEE: And I'm Ken Lee, Director of Engineering.

MS. ROSENBERG: I'm Kate Rosenberg, and I'm an analyst.

MR. ISRANI: Mike Israni. I'm Senior Technical Advisor for PHMSA.

MR. WIESE: I'm inclined to have a little fun to ask those people who are former employees of PHMSA to stand up, but we won't do that. There are a number of them in the crowd. Who did I miss?

MR. JAGGER: Bobby Jagger, Technical Writer for PHMSA.

MR. WIESE: Julia. I'm sorry. I didn't see you guys. Stand up.

MS. PAAJANEN: Julia Paajanen. I'm also a Technical Writer with the Office of Pipeline Safety.

MR. WIESE: You guys are popping up everywhere. Is there anybody working today? I'm getting mixed up on who used to work for us and who works for us now, so if I've missed anyone please come forward. No? Okay, excellent. I'm sorry about that. I don't mean to embarrass people by that.

Okay. So you're about ready to

get rid of me. You're probably lucky on that account. I do want to remind people that the transcript and presentations will be available on PHMSA's website, which is really probably the easiest place to find it. But you can go to regulations.gov. We have a new docket number. It's PHMSA-2014-0124.

And so with that, it's my pleasure to introduce the chair for today and my usual partner in crime in chairing these meetings because she's so good at it, Colette Honorable.

I was just conferring, because I'm such a sensitive fellow, as most of our employees will tell you, to see if it was okay that I let you know that Colette has been nominated by the President to be one of the commissioners at FERC. So we're really happy and sad at the same time. We're working on ways of keeping her, but we're thrilled and she certainly deserved that. And love working with Colette.

So with that, I'll call the meeting to order and turn it over to the real chair.

MS. HONORABLE: Thank you, Jeff. And, again, good afternoon. It's really a pleasure to work with you all. I learn so much through this experience, and I'm looking forward to another day of great meetings.

Since I have just silenced my phone after it rang, I want to ask you all to check your devices, as well. And, also, just another housekeeping matter, particularly for our new members, when the light is red, your mike is hot. And then when you're done, please turn it off so that it doesn't interfere with or diminish someone else's ability to speak during our meetings today.

Our first matter of business is to hear from the PHMSA Acting Administrator. On October 4, 2014, Timothy Butters became the Acting Administrator for PHMSA, where he had served before that time as the Agency's Deputy

Administrator. And Tim is certainly no stranger to this committee. I certainly consider him a friend but also wanted to reference a few of his past experiences, which have been quite relevant to his current work.

Tim served as Assistant Fire Chief for the City of Fairfax, and he also served as Chairman of the Hazmat Committee for the International Association of Fire Chiefs. I know he has kindred spirits among this group today.

He served as a member of the PHMSA Pipeline Advisory Board. He served ten years as Managing Director for CHEMTREC. He served with PHMSA and has been here with FEMA and here at PHMSA for a number of years.

Please help me welcome the Acting Administrator of PHMSA, Timothy Butters.

(Applause.)

MR. BUTTERS: Thanks, Alan. Thanks, Colette. It's great to be here among all these staffers. I was asking Jeff is

anybody at the office right now?

Well, thank you. Thanks for having me over this afternoon, and I'm happy to join you in my new position here as Acting Administrator. As you know, Cynthia Quarterman, who was my predecessor and had been with PHMSA about five years, tendered her resignation to pursue other interests and left the Agency earlier this month. I think we would all agree that Cynthia's tenure here as one of the longest, if not the longest, serving administrator for PHMSA was extremely influential and advanced pipeline safety issues and was loved by not only her coworkers here at PHMSA but well respected by her colleagues at the Department of Transportation. I know Secretary Fox certainly was sad to see her go, as well.

So the question is how are we going to proceed from here and what's the future look like? In terms of the next administrator, I can't really speak to that at

this point because, obviously, that's a decision that the Secretary and the President have to discuss. But it's in my intent to carry forward the course that Cynthia set and maintain that same level of engagement and energy. I think we all recognize that there's a number of important issues that we are facing. And as I met with the Secretary earlier today, I assured him that we can't lose any ground and we need to continue moving with good speed and progress. And I certainly look forward to continuing our relationship with this committee because you're an important part of, you know, achieving those successes and accomplishing some of the things we need to get done.

As you know, over the past several years, we've faced many challenges. A number of incidents, including Marshall, Michigan, San Bruno, California, a series of gas incidents in Pennsylvania, West Virginia, New York, have all underscored the importance of

pipeline safety. And as we see the energy change in our economy with the tremendous growth of what I call unconventional gas and energy production, the shale regions, we're going to continue to see and understand that safety is going to still be a top priority.

Of course, as you know, in addition to pipeline safety, PHMSA has another very important program safety role, and that is in the transportation of hazardous materials by air, rail, ground, and marine. And with over a million shipments of these hazmats everyday, it is a continuing challenge for us to ensure that these products run safely through transportation.

Pipeline and hazmat transportation have a very good safety record. But when things happen, they can happen in a big way and it can have tremendous consequences. So we need to continue to focus on reducing those incidents and reducing the risk to the public.

You know, in terms of safety, as

Colette mentioned, I come to the job with a fair amount of operational perspective in dealing with emergency response related to hazardous materials, and so I certainly understand the challenges of ensuring the safe movement of gas and oil. And as we move forward, I assure you that two of our big priorities is getting the gas rule and the liquid rule through, and that's going to be one of my top priorities, as it was with Cynthia. And I did reenforce that to the Secretary when I spoke with him earlier today.

PHMSA's often described as one of the most important small agencies you've never heard of but with a huge responsibility. But I think that mystique is changing. We've been on the forefront of a lot of hot topics in the national spotlight lately, and we're all, all of us are working and fully engaged to address these issues. Most recently, the Ebola situation has involved PHMSA because of our role in the transportation of hazardous

medical waste and the waste that was generated as a result of the three individuals who were diagnosed with ebola brought PHMSA directly into the forefront, and we've been working very closely with other agencies of government, with CDC primarily, to ensure that that waste is moved safely and disposed of properly. Obviously, high sensitivity on that issue, and that will be continued to the foreseeable future.

The other major issue that we've been dealing with is the rail transportation of shale crude oil. As a result of the production of this oil in the shale plays in North Dakota, the movement of oil has been significant. In fact, a 4,000-percent increase over the past four or five years and, as a result of a number of rail incidents involving the transportation of this flammable liquid, there has been a very strong push to improve not only rail safety but the rail cars that carry this material.

And this is an area that I believe the pipeline and other transportation modes will intersect, as we try to look for improved and more safe ways of moving this flammable liquid. We're going to be needing to work in a more cohesive way between our pipeline and hazmat programs to ensure that there's consistency in safety.

With regard to the budget, as many of you know, we are operating under a continuing resolution right now for the FY 15 budget. That will be in place until December 11th. Hopefully, Congress will take action to get a budget in place, but those who are familiar with this, you know, the Congress in terms of their budget action, we're not optimistic that that's going to happen. It is an election year in November, and so it's really hard to say what will happen. But if our 2015 budget does get moved forward, there has been very -- the President did advance a budget that did increase resources for the

pipeline program. We have been getting favorable signals from Congress that they, indeed, support that, as well. So we certainly hope that we will be able to move forward on some of these initiatives because we all recognize that there's a number of important things that we need to do that require resources.

One of the things that Secretary Fox has placed as one of his priorities is really what he's calling a 30-year national transportation policy framework or 30-year plan. It's a DOT-wide effort to really drive improvements in transportation, and the role that PHMSA plays in terms of pipeline safety and hazardous materials are going to be an important part of that program. Steve Domotor, our chief safety officer, is sort of our lead on that. And as they begin to finalize what that 30-year plan looks like, we'll be able to share the direction with these committees once that's finalized.

I know your agenda has a number of important topics you'll be covering in the next day and a half but just to touch on a couple of things that are, again, important to us. This safety management systems and safety culture. Clearly, you understand the importance of that, whether you're operating it as a pipeline operator or in the industry or an organization that is dealing with safety. Safety management systems and safety cultures are critical to ensuring that organizations maintain a high degree of safety and reduce incidents and risk, and that requires a commitment from the top all the way throughout the organization.

Jeff and his team have done an excellent job of moving SMS and the importance of SMS in safety culture in the pipeline industry. One of our counterpart agencies within DOT, FAA, has got a long history with safety culture and SMS because of their role in airline safety, and we've been able to

garner some very good best practices and utilize the expertise that FAA brings to the Agency to help us formulate how we want to move forward, as well.

Jeff mentioned or he introduced Steve Domotor, our chief safety officer. I hope you take a moment to meet him during the break. He's very interested in, he's one of our lead with regard to safety in PHMSA, and I know he's very interested in knowing more about what some of you are doing specifically in that area and how we can use better metrics to measure and to develop effective safety programs.

We've made a lot of progress in a number of areas, including our Integrity Management Program, which has been around about ten years. And we need to continue to impress upon the industry to embrace that so that we believe is clearly a big solution to address some of these safety issues, and the Integrity Management Program is an effective

approach to doing that. There are a number of gaps that we've identified, and we'll be working to address those gaps in what we're calling IMP 2.0 by incorporating the whole safety culture issue and SMS.

We're also working on integrity verification, IVP, leak detection and valve programs, as well as increasing the use of meaningful metrics and near-miss reporting to help better understand what these risks are. Using metrics, using good data to drive our organization's priorities is clearly something that we are going to continue to focus on and better understand the data that we are currently collecting to make it more useful and to see what additional data that we need to collect to help improve our safety systems out there. I understand Ron McClain will be talking more about the consensus standard with regard to the safety management system later in the session.

As related to safety within PHMSA,

we've also taken steps to really walk the walk within the organization. Steve has been able to get our safety manual for PHMSA in place. He has also identified collateral safety officers in our regional offices to help ensure that, within PHMSA, that we are doing the right thing by our employees to make sure that they are performing in a safe manner and that we are embracing that safety culture throughout PHMSA.

An issue that is becoming more and more prominent in the national discussion is ethane emissions. Many of you are certainly involved in that, and I know there's a panel tomorrow to talk about that. But it is beginning, it is taking sort of front row stage at the national level, and we are working with EPA and other agencies within the federal level to ensure that we are addressing that issue as part of our overall safety focus.

As an infrastructure, again,

another area that we continue to focus on, back in 2011 Secretary LaHood instituted a call to action following a number of those significant pipeline incidents that focused on, you know, the repair, rehabilitation, and replacement of aging pipelines. The industry has really stepped forward in addressing that issue. There's been a lot of good success in terms of addressing the aging pipeline infrastructure. We certainly recognize that aging, in and of itself, is not a sole indicator of risk but is certainly a factor. And the better we understand the age of our pipeline infrastructure out there and address those high-risk pipes, the more effective we'll be in addressing those safety concerns and risks.

We also are glad to see that the states have stepped forward in terms of instituting infrastructure cost recovery programs and mechanisms. Back in 2007, only 11 states had those mechanisms in place. And

this year, 38 states now have accelerated replacement programs, which clearly is something that is needed out there to advance that PHMSA replacement issue.

So I know that we'll have more to talk about in some of the other areas that PHMSA is advancing in. I do want to mention the National Pipeline Mapping System. We have plans to redouble our efforts to improve that tool. That's an important tool not only for operators, for the regulated community, but for local communities, as well, to understand the pipeline systems, particularly emergency responders, so they know what those risks are, where they are, and can be effectively prepared to deal with any potential emergency.

I mentioned performance metrics. We're going to continue to focus on metrics and using good data to drive our program priorities to ensure that we're using the right resources in the right place.

And we want to continue to develop

tools and information and resources that are available not only to the operators in the industry but also the regulators at the state and local level to help them improve their ability to ensure safety of the pipeline systems in those communities, whether they be distribution systems, gathering systems, etcetera.

And, finally, something that those of you who know me is sort of near and dear to my heart is sort of the emergency response public awareness issue. Sam Hall will be up here in a few minutes to talk about some of the progress we've made. But, you know, as I've said before, when it comes to emergency response, emergency responders out there don't make a discrimination between hazmat that comes out of a railcar or a hazmat that comes out of a pipeline. It's the same cast of characters that has to deal with it. And that's one of the things we try to work more closely with our colleagues throughout the

Agency is on emergency response where we can work together to ensure, you know, communities are ready to deal with emergencies. We obviously want to focus on preventing the risks, but the reality is is they do occur, and we want to make sure that we're as prepared as we can be to deal with those incidents to not only reduce death and injury but to ensure that the community can get back on its feet as quickly as possible.

So as I mentioned, we have a lot going on. We know that we're not perfect yet. We're going to try to get there. But we are going to be relying on you and your input to help us move the Agency forward.

So I will turn it back over to Colette now, but I'll be around for a couple more hours and look forward to speaking with you and answer any questions if you might have them.

MS. HONORABLE: Thank you, Acting Administrator Butters. We're delighted that

you joined us today and look forward to working with you, also, as we have in the past.

I want to yield now to Jeff Wiese, who actually has a couple of things he'd like to reference now.

MR. WIESE: I'm just going to pick up really quickly. I promise to make it short. I wanted to pick up where Tim left off, and I think it's appropriate. The not perfect yet, you know. You know, I know that Ron and Linda, you know, are on the committee with me. As you get into the fields we're going to cover, Ron is going to give you an update on safety management systems. You know, one of the most striking changes in the past few years, I think, in this industry has been a widespread embrace of zero as a goal. Many of you will remember the years we used to argue that's impractical, you know, trying to get 2.6 million miles of pipeline to produce zero is impossible. But I think, you know,

kudos to all involved. I think we've really shifted past that to the point where that damn well better be our goal, you know. Nothing less is acceptable, right?

And that sets in motion a lot of things. It gives you the opportunity to learn, saying you're not perfect. Losing that arrogance gets rid of some of the complacency. It moves you into how do we get better, right? Looking for that.

So you'll hear a lot more on that as we go forward. I wanted to take time out, in particular, to acknowledge Brian's joining us because Brian actually -- and we have worked together on many things, and I would consider him an expert in SMS and safety culture, as well. Brian, maybe at the right time you can kind of give us some insight into the academy studies that you guys have going on on safety culture because I'm pretty sure that all the lessons are parallel in our industry, as well. So I want to thank you for

joining us. It's very important.

The other thing that I should have mentioned before, the 30-year strategic plan -- my apologies -- I should have said this is a really important stakeholder group. So perhaps next time we'll ask Steve to come do a presentation on the 30-year strategic plan where we sit and take some input from your group. I mean, I think this is a pretty diverse and important group of stakeholders. So maybe we'll try to send you something out in advance so that they can look at that and, you know, give us some feedback there.

And then I also wanted to quickly say that I, like many of you, will see this as a critical time in our history. I do, and I think you should be able to look back on this point in time and see that some important changes were taking place. And we're going to be here shaping those things.

Amongst those are things like infrastructure modernization. Tim mentioned

the Secretary's call to action. This is in the wake of San Bruno and Marshall, Michigan, you know, and a number of others. I'll cite our old boss. Cynthia told me when we were talking to her about coming over to PHMSA, she said, "You know, I've been looking at your data and it looks like you've been on a downward trend for about ten years. In my book, that spells trouble." And I go, "No, no, no, things are working great. Don't worry about it." She joined, and, shortly thereafter, we had two of the largest accidents in our history. And she was very helpful in charting the path forward on that.

So I'm not going to make any bets, but the direction and the trend of things is positive. I think that's due to a lot of work on everyone's part, you know, the companies, the regulators, the public, you know, the advocacy community working together.

So there's a lot more to say on infrastructure modernization. I'm

particularly thankful to have added strength in the commissioner field, so thank you, Linda Breathitt, for joining us. Linda, for those of you who don't know, is a former FERC commissioner, as well, so she brings federal experience. She was with the Southern States Energy Board, as well. So she brings a lot of experience on the energy front to this, and I'm very thankful that you've joined us.

I would be remiss if I didn't say we went all the way through the process and have gotten nominated and confirmed John Quakenbush who's a commissioner from Michigan Public Service Commission. He will be joining us on the Gas Committee and the next one. He's on, I believe, NARUC business out of the country right now. So, yes, I look forward to having John on. He comes highly recommended by our pipeline people, honestly. The state people, the state regulatory people who have met with John think a lot of him.

If you'll allow me, I'll take two

seconds to say, and we'll hear more from him tomorrow, but I welcome Paul Roberti. Paul is a commissioner, a NARUC commissioner from Rhode Island, longstanding friend and head of the Pipeline Safety Task Force at NARUC. So we'll be asking Paul to talk a little bit tomorrow as we get into the methane emission panel.

Other things that are happening at the same time that we're talking about this is, you know, the things that are coming together, the call for infrastructure modernization, the whole issue of methane emission reduction, which Tim touched on, and tomorrow we're going to have a panel. Mark Brownstein, thank you very much for joining us. Mark has a lot of expertise in this area. He'll be joining a panel that will be talking to you about what's going on in methane emission reduction and then, you know, kind of taking your views. I've asked several of the stakeholder groups to kind of talk about

things that they're doing in that general field.

And I think the whole issue of, you know, infrastructure and the changes to the regulatory program, and, again, Tim alluded to those things, means that we need to have people on who are really impacted by this. So Cheryl Campbell wanted to say -- Cheryl will definitely find herself in that field, along with others here, but we wanted to thank her. We've known Cheryl for a while, been very active with our NAPSER partners, the state regulatory people, as well, in fact, I think we may have met out somewhere out in the Rockies. And I was really impressed with Cheryl's ability to handle their unruly crowd. So that's why we've asked her to join this one. No, no, no, it was a great meeting, and I want to thank you for taking time out to join us, as well.

So I think, you know, I'll just close by saying I think it's a great spot to

be in when people finally said we're not perfect. We have room to improve, and we have the mind to do it and the will to do it. And we'll move forward. All of the things you're going to be seeing on the agenda today and tomorrow I think all interweave in that as a path to help us get better.

So I think, with that, I'll thank Commissioner Honorable for her indulgence, and we'll move on.

MS. HONORABLE: Thank you, Jeff. Great updates, and I'm glad that you acknowledged Chairman Quakenbush and also Chairman Roberti. I'm looking forward to hearing Paul's remarks tomorrow, as well.

Next on our agenda, we're moving right along. You heard Acting Administrator Butters reference this next agenda item, a briefing on the emergency response/public awareness effort, and he'll be joined by Sam Hall.

MR. BUTTERS: Well, as I mentioned

earlier -- well, first off, one thing I did mention earlier is the great people we have working at PHMSA and how committed they are to the mission. And that is reenforced everyday, and we're able to get a lot of this done simply because of the folks. We're a small agency by comparison, but we got a lot of great folks. And Sam is one of them.

You know, when I came to PHMSA, one of the areas that we recognized needed some additional focus was how PHMSA could work and improve emergency response to pipeline incidents. Obviously, our regulations require operators to engage with local communities and awareness. But as someone who was on the other side of the table, so to speak, you know, when our pipeline operators in Virginia would call upon us to do awareness programs, you know, they would have what I call the rubber chicken dinner with trinkets, and we'd go and listen to the pipeline message and how safe they were and those sorts of things.

But as, you know, a fire chief, we have career and volunteer personnel. So just from the logistics perspective, I used to say, you know, that was a great program you offered for a B shift, but, unfortunately, A shift and C shift were off, and we didn't have many volunteers. And so, you know, what's going to happen is the pipeline incidents are going to happen on A shift or C shift and B shift to be off.

So we have to really look and better understand how the system works out there. It's a complicated system. Thirty-two thousand fire departments, and there's thirty-two thousand ways of doing business.

And the other thing is that fire departments are only one player in that emergency response continuum. Talking to, after, you know, the Marshall, Michigan incident, I went up and talked to some of the local folks about how they responded to that incident and the role of 911. And one of the

things that I continue to say to folks that was just a compelling story is that 911 supervisor said something to the effect of, you know, "We could have probably shortened this incident by about ten hours," and I said, "Really? How so?" And he said, "Well, when the 911 board lit up at 9:30 in the evening up there with all sorts of calls about petroleum odors and whatnot, they sent a unit out to check it. It was at night, so they couldn't see anything. They said we probably think it has to do with mercaptan gate station on the gas side, so we've been having trouble with this, so we think that's what it is. It will go away." And I'm kind of paraphrasing all of this.

And so, of course, Enbridge, seeing something different on their system, because of the fact that they had just shut that line down and they're bringing it back up, were trying to compensate for that pressure loss, thinking it might have been

something else. So as they were trying to ramp pressure up -- and the point was the 911 guy said, "Well, if I had been able to call the command center, the control room, and say, hey, are seeing anything on your system in Marshall, Michigan because we're getting a lot of calls," the dots might have been connected. So that told me that we need to really ensure that everybody in that system needs to better understand their role in terms of emergency response.

And the other group that was compelling that I really didn't think of was public health, the fact that many people were reporting to emergency rooms, reporting to doctors with respiratory issues because of what was going on in the atmosphere, and that was, again, underscored at Mayflower when ExxonMobil had that incident. And the public health system was really overwhelmed because they didn't really anticipate that this would really affect them.

So that's one of the things that we've talked about and what we've been working on within PHMSA to try to improve how we're educating the local communities. Lanny Armstrong can speak, of course, to pipelines. He's in pipeline central there in Pasadena, Texas.

But we initiated a number of programs, including a state-wide initiative in Georgia, building on our pipeline emergency response training program with the National Association of State Fire Marshals and really engaging a lot of the stakeholder organizations that represent the emergency response community to help them better understand why it's important.

And, again, you know, as a fire chief, they have a responsibility, as well. They have a responsibility to understand what the risks are in their community and to seek out information about how they can be better prepared. It's not a one-way street. I tell

my colleagues or former colleagues that if you sit in the firehouse or your office and wait for the pipeline guys or the hazmat guys to knock on your door, you're not doing your job. You know your community. You should be asking some questions about, you know, what those pipelines are, what's carried in them, how they operate, where the valves are, who's going to show up if there's an incident, all of those sorts of issues.

So I'm going to kind of turn it over to Sam to get into some of the details. But I'm very, very happy with how Jeff's team has really moved forward on this whole emergency response issue, and I think we have made tremendous progress and we're going to continue to do so, as well as how the operators, I think, have responded, as well, in their engagement. So Sam?

MR. HALL: Thank you, Tim. That's a great introduction to a lot of the issues that we're working on now. My name is Sam

Hall. I work with PHMSA in the Office of Pipeline Safety in the Program Development section. I spend a lot of time on improving emergency response, especially communications and outreach. And I also spend a fair amount of time on damage prevention and grant administration, all of which are certainly related.

Tim gave me a great introduction. And if you'll bear with me, I'm having -- okay. Wonderful. Thank you, Cameron. Quickly, especially considering that we do have some new members on the committees, I'd like to just give you a very brief background and history on emergency response, to include our regulations, and then dive into some details on some current efforts that are ongoing both within PHMSA, among other stakeholders in pipeline safety, and then wrap up with a vision for the future.

We're talking largely about emergency response specifically in this

session, but, as you know, emergency response and communicating with emergency responders is a very important component of public awareness. And I'll touch on some of those things as I go through these slides.

Briefly, background. Our federal regulations at 49 CFR 192 through 195 require operations plans and emergency response plans, to include spill response plans, OPA 90 plans, so on and so forth. We have a long history of working with emergency responders. Pipeline operators and regulators have been dealing with emergency response issues for quite a while. I want to call out our public awareness regulations, especially for our newer members who may not be aware. Those regulations incorporate the American Petroleum Institute Recommended Practice 1162 and call for communications and interactions with four primary stakeholder groups: the affected public, local public officials, excavators, and then, of course, emergency responders. I

bring this up -- or emergency officials. Pardon me.

I bring this up because communication with emergency officials is a major component of public awareness. It's not something that we do in a vacuum. Engaging with emergency responders is not sort of its own project. It's part and parcel of our regulations, recommended practices from the industry, and beyond. So it's interwoven in what we do on a daily basis.

Past and ongoing activities. I wanted to touch briefly on some things that Tim did mention in the past that we've done and also things that we are currently doing. Really, one of the main things we've focused on is providing resources for pipeline emergency response. The first is the award-winning Pipeline Emergencies training curriculum that we funded through a cooperative agreement with the National Association of State Fire Marshals. That

training curriculum, we had a relationship or have had a relationship with NASFM since 2002. And the training curriculum that was produced from that has been made available to the public online. It's been used widely across the country. We've funded train-the-trainer sessions for firefighters in particular. It has a long history there, and the industry has taken up pipeline emergencies and they have modified it in concert with NASFM to be modular, to focus on sort of a beginner, intermediate, and expert audiences in the emergency response community, which was something that the emergency response community actually asked for through various fora. So that training curriculum exists and is showing great success.

The National Pipeline Mapping System Tim mentioned. That will be on the agenda later today. It's a resource for emergency responders at this point and in its current state in that emergency responders,

local officials, those with responsibility for pipeline safety can find those pipelines in their communities, can get contact information for pipeline operators, and plan for potential emergencies with pipelines. It's not a system that is very useful for understanding what's in a pipe at a given time. I think many of us know what the limitations are out of the National Pipeline Mapping System in its current state, but it is a resource that exists for at least becoming aware of pipelines in your communities.

The Emergency Response Guidebook that was published in 2012 and will again be published in 2016 includes some white pages on emergency response for pipelines for the first time ever. That's a resource that's used by emergency responders across the country.

Pipelines and Informed Planning Alliance is an effort to address land development in the vicinity of pipelines, land use and land development in the vicinity of

pipelines. You know, these emergencies, when they do occur, will have much less impact if development is planned wisely in the vicinity of pipelines. We see a strong tie between PIPA, smart development, and effective and safe emergency response.

Grants, in particular the technical assistance grants which come out of the Office of Pipeline Safety, many of the grants that we've awarded to the tune of $50,000 to communities, to advocacy groups, and groups of individuals essentially, some of those grants have gone to improving emergency response, to include purchase of everything from detectors, improvement of GIS systems at the local level, specifically for emergency response communications and coordination, and improvement of training facilities at the local level for dealing with pipeline emergencies. And then, finally, of course, our websites, brochures, presentations at many, many conferences over the past several

years, and many meetings with interested stakeholders.

We've been really educating ourselves and others. That's something that we have done pretty seriously over the last several years. We've done that through a variety of activities. We hosted an emergency response forum back in 2011. The industry has hosted several forums. There are several working groups that have been stood up. There are a variety of places now to, a variety of places, organizations, and groups where pipeline operators, regulators, and communities can share information and start talking about how we communicate best, how we deal with pipeline emergencies when they occur.

And through, of course, those interactions, we've been building partnerships, partnerships between industry, federal government, and emergency responders to try to address a lot of these issues.

I want to talk a little bit about what we've learned through all these partnerships and interactions. This is not, by any means, comprehensive, but I want to touch on these three points because I think that they're particularly important when it comes to improving emergency response.

The first lesson that we've learned through our interactions with all of the stakeholders that we've been talking to over the last four or five years is that we need to leverage existing resources and learn from other industries. There are lots of ways to crack this nut, and there's no need to reinvent the wheel. We can work within the systems that exist in the fire service in the public safety realm, and we can also learn from other industries that have similar issues, fixed facilities for example and other industries.

So there are some -- we don't need to start from scratch when it comes to

improving pipeline emergency response. We can leverage existing resources.

The second is learn from past incidents. What went well in these incidents? What did not go well in these incidents? We recently funded a study through the Hazardous Materials Cooperative Research Program under the Transportation Research Board. We funded the Transportation Research Board to conduct a study of past pipeline incidents that were investigated by the NTSB and looked for trends in the incident responses, specifically how the response went. What did we do well? What did we not do well? How can we look for areas to improve? We need to learn from past incidents and improve upon the areas where we can.

And then, lastly, the solutions that we come up with need to be sustainable. In other words, you know, Tim mentioned the chicken dinner with firefighters. While that's certainly an opportunity for

communication between pipeline operators and emergency responders and it's effective in many cases, it requires constant vigilant communication and activity on the part of both the pipeline operators and the emergency responders. You have the issues of communicating with the right folks at the right time: A shift, B shift, C shift, as Tim mentioned. There are ways to communicate between pipeline operators and emergency responders that are more sustainable, and I want to talk about those in a minute, too.

A couple of current initiatives, current efforts. There are many. This is not a complete list, by any means at all. I just wanted to highlight a few of these. I won't go into great detail in the interest of time and keeping on schedule. But Tim did mention the Georgia Pipeline Emergency Responders initiative. This is a really innovative approach to ensuring that firefighters are trained in pipeline awareness. Folks in

Georgia, the public safety officials in Georgia, the folks who are responsible for establishing the training standards for firefighters in Georgia, have bought in and are saying, yes, this is a priority for us. These pipelines are conduits for hazardous materials in our communities. We need to take them seriously. We need to train our firefighters to be aware of pipelines and how to stay safe in the event of a pipeline emergency, how to save lives, how to mitigate impacts to the environment.

This initiative, the GPERI as it's called, is unique in that it shifts some of the responsibility for training from the pipeline operators to the firefighters themselves. They are taking on their responsibility to ensure that their people are properly trained, and that's a key, a key to success to ensure adequate training. The trainers themselves, the firefighters themselves, as Tim mentioned, have a

responsibility. And in Georgia, they are accepting that responsibility through an innovative model, and we're looking forward to good results from that.

We have a member of the NFPA here on the committee. We are working with NFPA 472 Committee, which is, essentially, competencies for hazardous materials responders. And in the past, that standard, NFPA 472 standard, did not mention pipelines. It is now going to mention pipelines. That's exciting because those standards are, in many cases, adopted by state fire training agencies. And now the word pipeline and the issues surrounding pipelines will be incorporated into state training curricula based on that standard.

The National Emergency Number Association, we've worked with NENA to create a standard for call takers in 911 centers, a protocol for dealing with calls regarding pipeline emergencies. Tim mentioned the 911

issues in Marshall. There is now a standard that addresses pipeline emergencies in particular, and that standard needs to be incorporated and pushed forward over time throughout the country.

The American Petroleum Institute is creating Recommended Practice 1174 called Pipeline Emergency Response. That's a short title. This is focusing on the liquids industry and improving pipeline emergency response through recommended practice.

The industry has also created training portals that leverage the Pipeline Emergencies curriculum that I mentioned. They have taken that Pipeline Emergencies Curriculum, they've broken it down into three modular training curricula for beginners, intermediate, and experts in the emergency response community. And the good work that many people put in to the original Pipeline Emergencies curriculum is now being used in a different way and in a way that the emergency

responders were hoping.

We're working with FEMA to create a primer. We've actually written it. It's now currently under review at FEMA. The primer is on pipelines and state and local hazard mitigation plans. How do you incorporate pipelines into state and local hazard mitigation plans? Once you do that, once you incorporate those pipelines into hazard mitigation plans, their importance in the communities are raised. Now the communities are seeing pipelines as part of the hazard mitigation plan, a lot of activity happens as a result of what's in hazard mitigation plans, and FEMA is becoming a partner in that.

MR. BUTTERS: Let me add something to that, Sam. And that also allows communities to get grants from FEMA to help with pipeline preparedness, which has been a challenge for locals in the past. But by incorporating into those plans that FEMA

recognizes and adopts, then it becomes eligible for some funding so . . .

MR. HALL: So that would be a big win there if we can get that primer published and promoted. I think that we could have some great successes in improving local emergency response capability for pipelines.

We've also stood up a Public Awareness Program Working Group. PHMSA has stood that up. We are conducting strengths, weaknesses, opportunities, and threats analyses, or SWOT analyses, on various aspects of public awareness programs, to include communications with emergency responders. We will publish a SWOT report from that working group sometime in the coming calendar year, 2015, and we hope that that SWOT report can be used by various stakeholders to better understand how to improve public awareness programs, including emergency response.

We've stood up a Pipeline Emergency Response Working Group, which is

essentially now a forum for those of us who are engaged in these issues to share experiences, talk about what needs to be done, and demonstrate to one another what's going on on the leading edges. And that's been a very successful group for staying in touch with one another and making sure that we're all moving in the same direction.

Industry has done similar, has made similar efforts to create working groups, particularly API, AOPL have created an emergency response working group that is focused on these issues and is making great progress. And, of course, our partnerships with key players to include federal agencies, and many others are delivering results.

The future is not set, certainly. There's been a flurry of activity over the last several years in improving emergency response. I hope that what's come across is that there is no silver bullet to the problem. You know, I think that there's a tendency to

want to focus specifically on training, for example, or on some other aspect of the solution. And I think that all of these solutions are important, but it's really a complex issue. There is no silver bullet, and I think multi-faceted solutions, like some of the ones I've just talked about and several others that are in the works, are really the way to improve pipeline emergency response.

We need sustainable solutions. We need solutions that institutionalize pipeline awareness among public safety stakeholders. Pipelines need to be a part of the conversation for public safety as much as any other public safety issue, whether it be tanker truck rollovers, house fires, burglaries, emergency medical. Whatever it might be, pipelines need to be a part of that conversation. And I think communities need to step up and become more aware that pipelines are arteries for hazardous materials in their communities.

We need to coordinate complimentary activities. I mentioned that there's a lot of activity going on right now. There are many solutions being pushed forward. I think that all of them are quite positive. I think that there needs to be, you know, a continued spirit of shared responsibility among the stakeholders pushing forward and focusing on the activities and the solutions that will matter.

And, finally, stakeholders need to understand and fulfill their responsibilities regarding pipeline emergency response. And in particular, I think that PHMSA is going to be pushing for communities to begin to take responsibility for their end of the bargain. It's a shared responsibility. You could draw some parallels to damage prevention in that sense. Communities do have a responsibility for understanding the infrastructure, who to contact when something goes wrong, ensuring that they have the right equipment on hand to

deal with those emergencies, and so forth.

And then that concludes my comments.

MS. HONORABLE: Thank you. So at this time, we'll first take questions from the joint committee with regard to the presentation that you just saw. And then afterward, we'll allow a separate time for Q&A for Acting Administrator Butters for anyone who had any thoughts or comments regarding his earlier remarks.

So we'll begin first with questions or comments based on this presentation, and I thought I saw Craig. The floor is yours.

MR. PIERSON: Thanks. More of a comment than a question. I first wanted to thank Acting Administrator Butters for his leadership on this. Sam had a great long list of good things that are happening. And on the liquid side, which I represent, in 2013, as we were going through our strategic planning

process, we identified this as one of our highest initiatives in '14, and it's helped lead to some of the accomplishments.

One of the things that you might have mentioned, Sam, at the latter part of your remarks, there's an Emergency Response Advisory Board that's got a lot of energy around it. It's bringing industry together and a lot of the responders, and it's helping to drive API 1174, which I think is slated for publication in November.

So, anyway, I want to make mention of that board. That's been pretty helpful for us.

Anyway, just echoing a lot of your comments. A lot of energy around it, and I think we're going to start reaping the benefits here soon. So thank you.

MS. HONORABLE: Thank you. Rich?

MR. WORSINGER: Thank you. I'd like to also thank Acting Administrator Butters, as well as Sam, for your comments and

presentation, for your efforts in the areas of emergency response and public awareness.

John Erickson with APGA, as well as Bill Deford who is with the Municipal Gas Association of Georgia, participate on the public awareness working group. They have shared very positive comments about the group, so I'd like to applaud those efforts.

I would just like to share one caution. APGA represents the almost 1,000 small public gas systems throughout the country. Their needs, as well as the issues they deal with, are very different from large distribution companies, as well as interstate and intrastate pipelines.

As an example, one of our primary public awareness messages has to do with when one of our customers smells gas in their home. And that might deal with interior house piping, which is neither under PHMSA's jurisdiction, nor the LDC's ownership or jurisdiction. However, we think it's very

important to share that message with our customers that if they smell gas they need to get out and contact us and etcetera, etcetera. So please make sure that that message is not lost in your efforts.

And regarding the rubber chicken dinners, I've attended many of those. The message is greatly received. We found that when you feed people, they will come. Thank you.

MS. HONORABLE: Thank you, Rich. Any other questions or comments regarding the presentation? Yes?

MS. WHETSEL: If you all would please state your names before you speak. Just for the record, that was Craig Pierson and Rich Worsinger. Thanks.

MS. HONORABLE: Thank you, Cheryl. And I'm new to say that, and I'm always kindly, maybe not so kindly, reminding you of that. So thank you for reminding me. And I recognize Linda Breathitt.

MS. BREATHITT: Hi. Again, Linda Breathitt. Sam, you referenced an emergency preparedness manual, and it was maybe three or four slides back. And I wondered if it was produced by FEMA or DOT. You said you had added a new section to it. It's the Emergency Response Guidebook. Who publishes -- and you had mentioned you had added a section. Who publishes that?

MR. HALL: PHMSA publishes the Emergency Response Guidebook.

MS. BREATHITT: PHMSA does.

MR. HALL: Yes, ma'am.

MS. BREATHITT: So is it, do the state pipeline safety inspectors have a copy of that?

MR. HALL: Yes, I would imagine they would. The Emergency Response Guidebook is really a resource for emergency responders dealing with hazardous materials incidents, in particular.

MR. BUTTERS: And transportation.

MR. HALL: Transportation incidents, hazardous materials incidents in transportation, yes.

MS. BREATHITT: And this is just a comment. When I first went back on this state commission several years ago and we would have small incidents in our state, and I would ask our inspectors, "Well, why haven't you hit the road? Why aren't you driving down there now?" and they said, "Well, we don't go immediately. We have to wait for the emergency responders to get there and give us a report." So that was interesting to me. It was kind of an awakening. But they're very important in this whole process, aren't they?

MR. HALL: Yes, ma'am.

MS. BREATHITT: Thank you.

MR. HALL: Thank you.

MS. HONORABLE: Thank you, Commissioner Breathitt.

MR. BUTTERS: One quick thing, Colette. I'm sorry. On the ERG, the

Emergency Response Guidebook, you know, that -- I don't know how old that is. It's probably about 25 years, you know, that it's been published. It's published every four years and was primarily developed around transportation of hazardous materials emergencies, but it has evolved as sort of the, you know -- Lanny can probably speak to this, as well. It's sort of the guidebook that all emergency responders use for sort of that initial response. And we've added additional information on pipelines, and it is in its, it's going to be, the next version will be coming out in 2016. So we're now in the process of seeking comments and updates and what changes we need to include in the ERG.

So it's an opportunity now, if you folks have some recommendations for the ERG, we'd love to hear from you so that we can kind of plug those into the process.

MS. WHETSEL: And I just want to

add -- this is Cheryl Whetsel. I better state my name, right? But in the last newsletter that I sent you, there is a little plug for the Emergency Response Guidebook, and there's the name of the person that you can contact if you want to, you know, give them suggestions. Her name is Suzette Paes. So I just thought I'd note that. Or if you want to get in touch and you don't know where the newsletter is, you can always email me.

MS. HONORABLE: Thank you, Cheryl. And it is also available electronically, so Cheryl can send you that, also.

I'm not sure who was first, Carl or Robert. I'll let you guys figure it out. Oh, across the room. And that would be Rick.

MR. LESNIAK: Close. Chuck Lesniak with the Pipeline Advisory Committee. I just had a question. In terms of -- it's real clear there's a lot going on. At what level is this kind of information being put out to the local jurisdictions, the local

emergency responders, the operators, sort of their regional-level, district-level folks? Is that coming out of PHMSA? Is PHMSA doing it through the state agencies? You know, how does the information you talked about, how does it get to the people on the ground?

MR. HALL: There are really a variety of ways that the information gets out. I think probably the primary avenue is the pipeline operators themselves engaging with communities through public awareness activities. The federal government has a limited ability to, you know, have boots on the ground, so to speak, and engage with every local jurisdiction. But we do work with the organizations, the trade associations so to speak, that represent volunteer firefighters, fire chiefs, you know, and so forth to disseminate information to their members and interested parties.

Through PIPA, we work with a team of folks to try to promote, as I'm sure you're

aware, the PIPA recommended practices. There are just a variety of ways that information gets to the locals. I wouldn't say that there's a one-stop shop for this kind of information.

What we have found, and I think that what you'll see as part of our findings out of the SWOT analysis that we're doing for public awareness, is that people trust the messenger when the messenger is in the same group, right? So peers, peers, people trust their peers. It may not be as effective for messages to come from the federal government, who many don't trust, or from pipeline operators. We're finding and learning that messages from peer groups are heard much more clearly than from outside organizations that are perceived to have a different interest, for example. So farmers talk to farmers. Firefighters talk to firefighters. We're finding that is a good way to get messages out, and so there are a lot of efforts to

consider how to push messages through those channels to the lowest levels, to the boots on the ground.

MS. HONORABLE: Thanks, Chuck.

MR. BUTTERS: The other thing I would add is we're trying to leverage existing networks. For example, there's an organization called the North American Fire Training Directors, and these are the 50 state training directors in the United States, as well as Canada, and they're responsible for training in their respective states. And so by using that vehicle, that group, they can, in turn, push it down throughout their respective states.

We also are using our colleagues at FEMA, at the U.S. Fire Administration, the National Fire Academy, where thousands of firefighters, for example, and emergency managers at the Emergency Management Institute attend training. We're utilizing their outreach, their system, to also connect with

those public safety officials.

So as I mentioned before, just like the pipeline industry, it's a complicated system out there. But trying to overlay something new is probably going to be not as effective as utilizing and understanding what systems they use now. And that's what we're trying to do.

MS. HONORABLE: Thank you, Chuck. And now Carl?

MR. WEIMER: Thank you. Carl Weimer, Pipeline Safety Trust. I really appreciate the presentation and all of the efforts going into emergency response. You know, every time there's an incident somewhere, we get lots of calls from the public. It's top of their mind.

One of the issues, and I was very thankful to hear, I think it was Tim mention this is that you're not reaching out just to emergency responders like police and fire. You're also including health departments in

that discussion now. Because one of the things we saw after the spill in Salt Lake City, after the Marshall, Michigan spill, certainly in Arkansas, and even along the Yellowstone River, was levels of air quality problems, things like benzene in the air. And the local health departments, the first responders, didn't seem to have thought about that at all beforehand, had no idea what levels they're supposed to be monitoring, who's supposed to be having monitoring equipment.

As we've reviewed even spill response plans, we find some confusion of that even with some companies sending their people into areas that have levels over what some health organizations think are safe. So I'm glad there's some effort to reach out to health departments, and I hope someone is going to step up and kind of take a lead at setting what those levels are for air quality issues because when we've tried to reach out

to CDC and a variety of health organizations, no one seems to want to take on that hot potato. So thanks for that effort.

MR. HALL: Thank you, Carl. I would like to say that I think that reaching out to health departments is an area where we can improve our efforts, frankly. We are just in the beginning stages of identifying them as an important stakeholder group. The bulk of our efforts have been focused on working with firefighters, essentially. And I think Tim's comment was pointing to the fact that we really do, not to put words in your mouth, but I think we do need to be much more inclusive with the public safety community. And your points are well taken.

MR. BUTTERS: Yes. I think the important thing is you understand who's going to show up to the party, so to speak, and make sure that they're not really, they're not learning their role for the first time on game day. And, Carl, you're absolutely right on

the public health issues. And they need to reach out to their, you know, treating physicians and ERs so they know what this material is that their patients or these members of the community are presenting to them so they know how to treat them and that, if there is a pipeline incident, they should expect there's going to be a significant increase in, you know, visits to ERs and to medical facilities.

And the other thing, while I have the microphone, my statement about the rubber chicken dinner was not to be, you know, criticize that as a venue because it's very good to feed these guys. That's how you get them in the room. And I appreciate that. My point was sometimes you're only, you know, hitting a fraction of the folks you need to hit. But that is an effective way of doing it, and so I certainly don't want to suggest that we should discontinue that.

MS. HONORABLE: Thank you, Tim. I

think we understood what you meant there. But for the record, since we do have a transcript here, it's good to clarify. Robert?

MR. HILL: Yes. Robert Hill, Brookings County. And I just want to commend PHMSA for the modern technology. My Emergency Response Guide is on my phone. And as a local official, when I do respond to an accident that has hazardous material, I usually pop that up just to -- so I do commend them on the modern technology.

MS. HONORABLE: That's an excellent show and tell. Thank you, Robert. Any other questions? Rick?

MR. KUPREWICZ: More of a commentary. As a --

MS. HONORABLE: Tell us who you are, Rick.

MR. KUPREWICZ: Oh, excuse me. Richard Kuprewicz, Liquid Pipeline Committee. Thank you. I just want to commend the efforts of PHMSA here. This is a tough nut here.

It's kind of like oil spill response plans. You hope you never, ever have to use them. They're never going to be exactly the way you've written them. You hope they're good enough that they'll keep people from getting killed and deal with the issue effectively.

And in the area of communication and resources, I don't know about you folks, but I can tell you one department, and that is the emergency responders, whether they be fire, police, that's an area where they're probably pretty thin uniformly across the country. And so throwing more information at them is a tough nut, so you have to think about how you're going to do that.

And so as a representative of the public, I want to continue to reenforce and support your efforts here. It's never going to be an ending game, but you can get better at it, and that's, a -- you know, 90 percent of being smart is recognizing what you're dumb at and try to deal with that. So this is a

good step, and you guys continue up with the good work.

MS. HONORABLE: Hear, hear. And seeing no other tent cards up, I will now inquire of the joint committees. If you have questions for Acting Administrator Butters regarding his opening remarks, now is your time. Questions, comments? You aren't a bashful group, but I won't recognize Jeff Wiese.

Well, seeing none, on behalf of all of us here, thank you. Thank you, Tim. Thank you for being with us this afternoon. We look forward to working with you, as well.

And now we'll turn to agenda item number four. We'll receive a regulatory update briefing from John Gale.

MR. GALE: Thank you, Colette. I wish I was here today to give you an update or present a couple of rules to you to vote on and discuss and debate. But regrettably, I can't. Right now, we're not able to get our

rules published to the Federal Register. As we go through this update, you'll see that most of the rules are past PHMSA, and we keep working with the other agencies we have to work with to get those rules to the Federal Register. We work on a daily basis with them. We're taking the information and learning lessons learned and applying them to the rules we haven't heard back from.

But I'll let you know that I'm not just professionally disappointed but I'm personally disappointed that we're not getting these rules to you. I'm sure you guys are disappointed that this is not a four- or five-day meeting that we could debate these rules. But, seriously, I mean, these are important rules that deal with very important safety issues. They don't only just deal with congressional mandates and NTSB recommendations, which many of them do, but they deal with very important issues that we have to address. And we can't start that

public debate until we can get those documents into the Federal Register.

So I commit to you that our office will continue to work with them, and we're going to try our best to get those rules to the Federal Register. As Tim has said, you know, not only was it Ms. Quarterman's priority, but it's also Tim's to get the hazardous liquid and the gas transmission rule to the Federal Register. And we can bring those rules to these committees and have that public debate.

This is a slide review of several of our past budget committees. It just kind of gives you an idea, the idea of this slide, and we've done it again because we have some new members, is just to give you an idea of the steps that a rule goes through. In other words, PHMSA is not the only cog in this wheel. We have to deal with the Office of the Secretary. That's an office within DOT. We have to deal with the Office of Management

Budget when a rule is significant. It's a non-significant rulemaking action, we can go from PHMSA and, when we're done with it, we go right to the Federal Register and we can bring it to this committee for a vote.

But at the end of the day, the Office of Management and Budget determines if a rule is significant. We give our recommendation. We give our debate or our reasons why it may be significant or non-significant. But at the end of the day, they make that decision.

Right now, about eight or nine of our rulemakings that were active rulemakings we have going on have been deemed significant or we expect to be deemed significant. We have a couple in play that we continue to work the issue. Even those that have been deemed significant, we're trying to -- you know, if we think it's legit and we really believe they're non-significant actions, we continue to make that point.

But even still, for those that are deemed significant, you know, some of them have been moved past certain stages for a period of time, and we believe it's time to move forward with those actions and we're going to try our best to keep that moving.

With that being said, what I'm going to do is just go through the nine rules we have going on and give you, again, just a quick summary of what's in the rule and what stage we're at.

The first rule, as Tim said, you know, two of the priorities of our agency is the hazardous liquid rule and the gas transmission rule. And this is the hazardous liquid rule. It came about following the incident up in Marshall, Michigan. The ANPRM, as you can see, was published back in October of 2010. The rule, the ANPRM itself, has moved past PHMSA, has moved past PHMSA for a bit now. But it covers some significant areas. Looking at assessments beyond ATAs and

expansion of that IM process beyond ATA areas. Looking at the thought of extending leak detection beyond ATAs, looking at the recurrent repair criteria for those lines that are within an ATA. And if we look at assessing the areas that are beyond ATAs, should we adopt or look at a different assessment criteria for those areas?

We're looking at the piggability of lines with the ability of those lines to accept an inline inspection tool. We're looking at reporting requirements for gathering lines that we currently don't regulate. As many of you know, the deal with gathering lines on liquid gathering lines, the statute is very specific on what we can and can't regulate. But it gives us broad latitude on allowing or requiring reporting for almost all gathering lines.

And we're also looking at some of the exceptions that are contained in 195.1, where there's broad exceptions for those

lines. One of the exceptions that we're looking at is the gravity line exception.

But what's also important to know is that this rule deals with close to five congressional mandates, deals with two NTSB recommendations and one GAO report. So as we move forward, getting close to the reauthorization, you know, not only is this important, obviously, for the safety of the public, but this is important to move forward in our regulatory agenda.

The other big rule that we're dealing with, again, the other priority is our gas transmission rule. I've been in the regulatory business for over 25 years, and I didn't even start off with hair then. But this is one of the biggest rules I've ever dealt with, and it's also one of the most important rules that I've ever dealt with.

This rule also had an ANPRM published in August of 2011. And this is one of the things that I can report that is a

little different than what we reported back in February. The rule has moved past PHMSA, and it's dealing with some fairly significant topics. A similar topic is from the hazardous liquid rule. Some people refer to this rule or will refer to them as like sister rules. It's looking at expansion of IM requirements beyond ATAs, such as assessments, looking again at the repair criteria for ATAs and adoption of more stringent repair criteria in non-ATA areas.

Looking at assessment methods, and that's consistent with a petition we received from NACE. Looking at requirements related to cathodic protection and looking at the regulations related to gas gathering. I think our agency has been very specific, very clear in its message related to gas gathering, and that the regulations today do not cover those gas gathering lines that we do not regulate adequately. And we believe we need to change those regulations.

But just like the hazardous liquid rule -- I'm sorry. One more slide on this one. As we were going through this, after the ANPRM, we had the revised, our re-authorization bill come through. And it led us to this process that we call the integrity verification process, or IVP. And what this process deals with, you know, we've had public meetings on this and lots of discussion with different groups, is some congressional mandates. It also deals with what we call pipes of concern, and these are areas that have been raised concern by both NTSB and Congress related to grandfather pipe, pipe with inadequate records, and that's where we changed. Remember we recently revised our annual reporting requirements to collect data on those lines with inadequate records, legacy pipe. And that pipe tested below 110 percent of the MAOP.

So this rule has moved past PHMSA. We are going to continue to work this issue.

It's going to be a challenge when we get it to the advisory committee in how we present it and how we discuss it and how we move forward with it and maybe take more, maybe a couple, three or four or five-day meetings with the advisory committee. But I think it's an issue that we definitely need to address; and, hopefully, within early 2015 or maybe late this year, we'll be able to do that.

But, also, just like the hazardous liquid rule, this rule also deals with about five congressional mandates. It deals with three NTSB recommendations and addresses two GAO recommendations. So as you can see, this is important for public safety, and it's also important for our agenda.

Another rule we've been dealing with for several years now deals with excavation damage. This is a rule that actually the advisory committee voted on back in December of 2012. We've moved the rule past PHMSA, the final rule. Basically, the

topic here is a requirement of the Pipes Act of 2006. It deals with the issue of enforcement of state excavation damage laws and addresses the issue where some states have been deemed or we believe do not have adequate enforcement of the state damage prevention laws. Congress gave PHMSA the authority to enforce damage prevention laws in those states it's deemed to have an ineffective enforcement program.

However, in order for us to do that, we had to go through a rulemaking exercise to identify the criteria that we would deem a state to have an ineffective program and then the process that we would handle it and then, of course, the enforcement process for those third-party excavators we would then enforce against.

So, again, you know, excavation damage is very much a top priority for our agency, and we hope to move this rule forward.

So we, again, we do not, as we

stated pretty clearly in the public, we do not want to be the enforcement agent in these states. We want to be a backstop in those states that don't have adequate enforcement. But, again, we need to move this rule forward so that we can be that backstop. But at the end of the day, we want the states to take over these programs.

This is another rule that the advisory committee voted on back in 2012. It just addresses a bunch of what we refer to as miscellaneous topics. We added some rules or some petitions from some outside entities. We had petitions from NAPSR, GPTC, and some other folks, issues that we wanted to address. Nothing that big that deserved its own rulemaking, but we wanted to clean up, move the rule quickly through the system, finalize the rule, and move on to our next topic. Little did I know that four years later I'd still be talking about this rulemaking.

But some of the topics it deals

with is performance of post-construction inspections, leak surveys for Type B gas gathering lines, requirements for plastic pipe joiners. It deals with ethanol and an NTSB recommendation related to the transportation of pipe.

Another important rulemaking for us, and this rulemaking, actually, I can report has moved past DOT, so that means it would be at OMB. The ANPRM on this was published back in November 2011, and it deals with the topic of EFVs, which is a topic in our re-authorization. It's been a topic at NTSB for many years, and it's looking at requiring EFVs. As many of you guys know, you know, we addressed EFVs for single-family residences under the DIMP rule.

But this looks at requiring EFVs for branch service lines serving more than one single family residence, multi-family residential dwellings, and commercial buildings or, as is in the act, the small

commercial buildings.

So, hopefully, this rule, we basically have two rules right now that have moved past DOT. EFVs is one of them, the hazardous liquid rule is the other. And, hopefully -- I was a little optimistic at one point that this rule actually could get out and we could actually have a vote on this this year, but we can still be optimistic and, hopefully, we can move on this rule within the next couple of months.

This rulemaking on our standards update was voted on in the advisory committees last December and February. And, actually, those are non-significant rulemaking actions we have right now. It was just designated non-significant in the last couple of weeks by OMB. As you recall, basically, over the years, currently we incorporate by reference about 60-plus standards into our regulations. And so when those standards get updated, we have to go through a rulemaking process to

update those new standards.

So this is our rulemaking vehicle to do that, and we try to do it about every two to three years based upon, you know, the new standards, based upon our committee, the members that we have on those committees and their recommendations. And so we should be able to publish this final rule probably in the next, I'd say, 45 days, if not sooner. When you do an incorporation by reference rulemaking, not only do you have to go through the process that is normal for a rulemaking, but you also have to get all the documents approved by the Federal Register. We've gotten the approval, we've gotten the OMB designation, and so we should be able to move on this rule.

Now, we also plan, soon after this rule is done because these standards always are changing, is to initiate a new rule. And one of the issues we're going to have to deal with in the new rule will be the site once

called the Section 24 issue. As you all recall, Section 24, when the re-authorization first came out, mandated that any document that we incorporate by reference be available for free on the internet, be available for free to everyone. It's been recently changed where it just has to be available for free to the public, not just on the internet.

So when we initiate the next rule -- the first rule addressed only those standards that were free. Most of the SDOs were making their documents free. So when we do the next standard, we're going to have to look at even those that are not currently available on the internet for free. And we're going to have to deal with the issue of how we make them free to the public when they request it. But before we move on it, we'll make sure we address that issue.

Another rulemaking we have going on, I originally referred to this as the miscellaneous tool rule, but that got a bad

name, so we're not allowed to call it miscellaneous rules. So we went with the long name of operator qualification cost recovery and other pipeline safety proposed changes because it deals with a variety of topics. It's not just one topic. This rule deals with issues such as, you know, are the current operator qualification requirements, do they cover all the operator personnel that they should? It's dealing with a couple of the congressional mandates on cost recovery.

It's dealing with the issue of -- we have special permits, as many of you are aware, but we did not have in our regulations a process for the renewal of special permits. We're just dealing with right now those special permits that are coming up on expiration dates. But not only having a process that we deal with, we wanted it to be a process that's gone through public comment and get these steps into the regulations.

We're also dealing with the issue

of in-service welding. It's been an issue on our plate for a while that, I think, is API 1104, Appendix B. And we hope to get those into the regulations, as well.

But that rule deals with -- let's see. That deals with, though it's a variety of issues, it ends up dealing with two congressional mandates and like four NTSB recommendations. So though it's small and it deals with a variety of issues, it is definitely a rule to keep your eye on.

We've also combined a bunch of issues and topics together related to plastic pipe. We received a lot of petitions from different elements of the plastic pipe industry, including vast distribution companies related to plastic pipe. We had a lot of recommendations from our own personnel that deal with plastic pipe and things that they wanted to clean up over the years. So we've kind of combined them altogether into this one rule.

The rule has -- this is kind of an interesting one. It's not yet been designated by OMB. This is one of the ones we keep trying to argue that we believe, at least, that this is a non-significant action and we're going to keep discussing it with OMB. But we're done with it. So in order to keep it moving, we've actually moved the rule past PHMSA just in case it ends up being deemed being significant.

But it deals with the issue of authorized use of PA12, which was based on a petition from Evonik. It deals with an AGA petition on the design factor of raising it from 0.32 to 0.4. It deals with enhanced tracking and traceability, some miscellaneous provisions related to PA pipe and things like PA11 and some additional provisions for fittings used on plastic pipe.

And the last rulemaking that I want to discuss is another pretty substantial rulemaking that we have on our plate. It

deals with a couple of congressional mandates, specifically from Section 4 and Section 8 dealing with remove-controlled valves and the issue of rupture detection and leak detection. Those sections mandated that we do some studies on these topics, and we did a study and GAO did a study. We've also received two recommendations from NTSB on the topic.

And so based on that, we're currently developing a rulemaking. It's still within PHMSA, this one rule that's still within PHMSA that's a significant action, that would establish and define rupture detection and response times, including the metrics including the integration of ASVs and the RCVs and the replacement, as necessary, with the objective of improving overall incident response.

So this is going to be a tough action. This is, again, one of our more significant rules, up there with the hazardous liquid rule and the gas transmission rule.

But it's one of our priorities, and we hopefully should be moving that past PHMSA within the next couple of months.

And that's my last one.

MS. HONORABLE: Thank you, John. Are there any questions? Don?

MR. STURSMA: This is Don Stursma. On the slide you had with the big long title of the rulemaking, operator qualification cost recovery and on and on --

MR. GALE: And anything that Don Stursma wants rulemaking.

MR. STURSMA: One of the items listed was cost recovery, and I'm not clear exactly --

MR. GALE: Well, there's a mandate or there's an allowance in our re-authorization bill from 2012 that allowed us to recover costs associated with certain activities. It's very high thresholds currently that's listed in the mandate at, like, projects that are involving like two and

a half billion dollars, if I recall correctly. It would allow us, like, say, if we were to do a special permit, Don, and we're dealing with a large project that's two billion dollars, that work that we're going to be doing related to, like, that special permit, we could recover that cost.

MR. STURSMA: This would be what's called the design review, I believe?

MR. GALE: Yes, yes, there you go, yes.

MR. STURSMA: Okay. And seeing no other things up, I'll ask one more question. On the subject of public availability of documents incorporated by reference, something changed on that last year. There was some different legislation adopted, and I haven't heard much on this subject since. And I'm curious about exactly if it's where I thought it was.

MR. GALE: Sure. If you'll recall, the original legislation said that any

standard that we incorporated by reference had to be available for free on the internet. What the change was is that they removed, effectively, the words "on the internet." So we have to make them available and we will. They just gave us some more, that change gave us some more latitude on how we make them available.

So the rule that I mentioned earlier did not deal with any standard that wasn't already publicly available for free on the internet because that's what this section read at the time. So when we initiate the next rule, we have some flexibility.

MS. HONORABLE: Thank you, Don. Andy?

MR. DRAKE: Andy Drake with Spectra Energy. I appreciate, John, you did a great job walking us through the rules to give us kind of an idea what's going on and updating us and kind of seeing a flight plan where these are going and what the issues are

around them. I don't know whether this is the right place to bring this up, but I think it's just a question for consideration. We, as a group, do not vote guidance material, and we are not obligated under charter to do so and neither are you. But I think the use of guidance material is very relevant to the issues of pipeline safety. How could we use the space here to help inform the members about pending guidance material that you're going to issue?

We have some on here on the agenda, but there's others that aren't, and we don't usually see them coming. They just sort of fall out of the sky, and then there's a big excitement about what it means and how we're going to do it, usually a workshop or some kind of exchange behind the scenes or in front of the meeting. Is there a way to make that more like the rules where we kind of see them coming and get a little idea of what we're trying to solve and kind of get a little bit

more of a flight plan that's more transparent to everybody?

MR. WIESE: I'll try the first swing and, where I mess up, they can certainly cover for me. I'd like not to make them more like the rules for a million reasons, not the least of which is it might impede our ability to discuss them. But, you know, fair point.

Some of these take a long time to develop, and some of them the Advisory Bulletin can be more of an urgent nature. Those would probably be very difficult. They don't create new regulatory requirements. I know some will argue that point, but we don't believe that and our attorneys review all of these in advance of going out. They're largely explaining what's going on.

But you should receive all of them, but your point is you're receiving it after the fact. You know, I'd like to think there aren't a lot of surprises in there, but maybe there are, you know. I welcome and

entertain your ideas on how to do that.

But, again, on the ones that are urgent, I think we need to move those out. They're intended to address, you know, those are oftentimes weather related, snow, you know, hurricane, you know, you name it. I assume you already know most of that anyway, it's just is a prompt for the few on the trailing edge who aren't paying attention.

Other things, you know, I think on, for example, on construction and reversals, you know, that one was probably more significant. That probably could have used more time out. The construction, we've done workshops on and you guys have with us, too.

So I'm open to suggestion. On the ones that aren't urgent, you know, I'll have to consult with my attorneys, as well, about sending out that, you know, as a draft to the committee that said, hey, heads up, we're thinking of doing this guidance, you know, and

welcome it.

We also have only been meeting a couple of times a year. So I will have comments later about maybe making greater use of phone updates. I think that, you know, one topic, you know, phone update, here it is, here's the document, we'll open the lines and take your feedback. Maybe that's a way we can deal with that.

MR. DRAKE: I didn't mean to put you on the spot. This is Andy Drake again. I didn't mean to put you on the spot. I'm just thinking out loud because I know it's something that you're using a lot to help clarify issues that are on the table. And I agree it's not all, but it's probably not none. Many of the operators on the table have a lot more familiarity with them than many of the other members of the committee. And I think that puts some of the members at the table at a little disadvantage about what are the issues because they're not engaged in all

that and not aware of it. And that was really the essence of the comment.

MR. WIESE: Yes, fair point. And I rarely mind being put on the spot. It's sort of a daily occurrence it seems so . . .

MS. HONORABLE: I see two other tent cards. I'm going to yield to Mark, Don, since he hasn't spoken yet, and we'll come back to you. Mark?

MR. BROWNSTEIN: So thank you.

MS. HONORABLE: Please identify yourself for the record.

MR. BROWNSTEIN: Yes, I apologize. Mark Brownstein, Environmental Defense Fund. So I apologize if these are rookie questions, but I'll ask them anyway. With regard to, John, with regard to the gas transmission and gathering lines rules, you mentioned that it's past PHMSA, which I presume, from your earlier introduction, means that it's at the Secretary's office at DOT? Okay. So then I'll ask the rookie and naive question. So

what does it take now to get it to move past the Secretary's office to OMB? What are we expecting the Secretary's office to do, and how can we help them do it so that we can move to the next phase?

MR. GALE: John Gale here. I'm going to pass.

MR. BUTTERS: Well, let me try to -- I'll throw it to Jeff. As John's slide indicates, the rulemaking process has to go through a number of gates. Each level reviews these things, including cost benefit and anticipating, ensuring that questions that may come from OMB are clearly answered. And, obviously, within DOT, PHMSA is one of several modal administrations that have regulatory actions in place. So it takes time to work through some of these issues. The more complicated a rule is relates, you know, can affect the time it takes.

But we, at least at the PHMSA level, are no stranger to our colleagues at

OST in terms of them understanding the importance of these things. And they get it, as well. But part of the challenge is you've got to work through the system, so to speak. So I don't know if you want to add any more to that, Jeff? We feel your pain, I guess is the -- we're, you know, we're working through it.

MS. HONORABLE: Thank you. Don? I think this is the last one, and we'll take a break. No, we're going to yield to Jeff Wiese for a couple of remarks, and then we'll take a break. Well, now I see two cards. So Don and then Rick.

MR. STURSMA: Break coming tells me I need to hurry. Don Stursma again. I will agree with Mr. Drake that sometimes these advisory bulletins can be bombs from the blue; and, whether they are intended to be mandatory or not, they can have a significant impact. So I'll just ask a hypothetical question that if an advisory bulletin came out that people in this room strongly disagreed with, what

recourse do they have?

MR. WIESE: I'm happy to swing at that. You know, as I stated, they don't create new regulatory requirements. You can argue the point if you want to, but I have them reviewed by counsel up through chief counsel before they go out. So my reply to you is that they are not binding in and of themselves. They're meant to help, you know, and provide guidance and explanation.

We get as many questions and calls about what the hell does that rule mean, you know, or questions in the field when we're inspecting people. It becomes apparent that they're struggling over, you know, understanding the intent of the rule. So an advisory bulletin should not, by its very nature, create new requirements. Again, people will take issue with that requirement, but I'm informed by my counsel they don't.

So, in effect, we're not going to come out and inspect, you know, are you in

compliance with an advisory bulletin. We would be inspecting are you in compliance with the underlying code. And if we have to quibble about it, we'll say that the advisory was provided, you know, guidance for you if you didn't understand how to do it.

MS. HONORABLE: Thank you. Rick?

MR. KUPREWICZ: I just have two quick observations from a public perspective, and I hope I'm not getting this wrong. But PHMSA puts a lot of effort into those rulemaking development. Tremendous resources in PHMSA work towards these. What I'm hearing as a representative of the public is that you busted your butts over the last few years, three or four years. We've got nine rulemakings proposed, and eight of them are going nowhere.

So my first reaction from the public, and I'm going to talk to my members of Congress, is we need to re-prioritize how we're approaching this. We may, all parties,

have the best of intent, but if we're chewing up critical regulatory resources and not getting anywhere, we need to go back and regroup and look at what is a better way to deal with this, rather than just rulemaking? And I don't have the answer to that one. I'm just raising that question because I'm going to get asked that when I go back and talk to other people representing the public, and it's a fair question.

The other comment would be this: the efforts on the advisory bulletins, I believe, in my long career and going back and forth here, is PHMSA doesn't issue advisory bulletins lightly. They are not new rulemaking. They're given a lot of thought. And when you read those, you can see the pros and cons being argued in that effort. And if you don't have a regulatory way to get people clarified and understand, you better have an advisory bulletin process, and so I want to enforce that process from somebody from the

public.

I don't have the answer, you know, if an advisory bulletin is complete and thorough. But the ones I've looked at, I consider them to be regulations. It's not exactly. The lawyers can get in a room and argue. That's their job. But from a public perspective, they're pretty darn serious. They're not quite a regulation, but they're getting pretty close.

MS. HONORABLE: Thank you. Seeing no other tent cards out, I'll yield now to Jeff.

MR. WIESE: Okay. I just had a couple of quick questions. I'll pick up where Rick left off. Well, I'll just blame Alan for most of these advisory bulletins. So you guys see Alan afterwards. You can gang up on him in the hallway. No, I'm kidding. Alan has done a great job of leading most of that stuff, and they are not done lightly. They're done -- I appreciate your comment that if --

well, maybe I won't go there. I'll just say, you know, you got to do something, you know, and sometimes the advisory bulletin is an option you have in front of you. So I'll just leave it at that.

But I'll pick up on your first point and tell you, just as the committee as a whole, so I'm going to invite you to begin thinking about the topic. Tim kind of referenced it. We'll be talking a lot more about it at the next in-person meeting, and that will be the subject of pipeline safety program re-authorization, which will be afoot next year. That is a big deal for those of you who have been through this cycle with us a number of times. Multiple congressional hearings, you name it, you know. Everybody is standing and delivering their views about what's been done, what needs to be done.

So I'm not going to try to bias your views on that, but I am going to say be thinking about this topic because when we come

back together next time, I would really like your input on that subject. I mean, this is a very, believe it or not, very august body, and I think it would be useful, particularly to the extent that we can convey your wishes back to the Hill, as well.

So it's a balanced consensus. That may not be an easy topic, by the way. You know, a lot of competing points of view on that one. So re-authorization was one thing.

I did want to mention, I would be remiss, I think someone lightly alluded to on the liquid side, we have an integrity verification process designed by now. We're going through the final stages of making sure we're comfortable with it. I had mentioned to all of you on the liquid side it would be coming. But our hands have been full with a few things. We have a draft now. We'll run through exactly the same process we ran through on the gas side. We'll have public meetings. We'll be willing to brief any

groups you want. You know, it's not an ex parte communication. We'll work it out all in a public setting. We'll bring it here. We'll present it to the advisory committees.

So I hope to, before we another advisory committee meeting, send to you, you know, what our thoughts are on integrity verification process. I will say that we, you know, we've learned a lot on the gas guys, so thanks a lot to the gas people. And I think if you've studied that model, you won't be terribly shocked when you see the liquid one. There are, of course, differences in those things.

And then I'll close my comments before break by mentioning there was somebody, somebody mentioned something about relatively minor rulemakings that don't require much. They're not controversial. Sadly, I don't know any of those, but, you know, I'm trying to figure out how to say. You all acted on several of our things years ago, and we don't

take that effort on your part lightly. We continue to push those things through.

On the ones that we really believe are non-significant but others might disagree with this, we might propose a phone vote to be mindful of your time. It's difficult to bring everyone together, you know. Cheryl about shoots me every time we schedule one of these because the pulling together of everyone's calendars is really a bit of a challenge.

So with that said, if we have a very, what we deem a non-significant rule, I'm going to propose that we send you a notice that generally describes what we're talking about and ask for your views on holding a phone vote on it. We've done these before, and, actually, they worked pretty well. We can do Microsoft Live if you want so you can just sit at your computer and look at the stuff while do it. But it would be a much more efficient use of your time. We can't do that on some of these. They're too big. The

gas rule, you know, the liquid rule, a lot of these are too big to do that.

But I think that's really what I had.

MS. HONORABLE: All right. It's time for us to take a break. Oh, Chuck has something. You're a very courageous man. So Chuck has something, and he signaled that it was quick. Okay. Very well.

MR. LESNIAK: Chuck Lesniak, Liquids Committee. And I think Jeff and Alan know what I'm about to say is we do have some really big rules coming. For those of us on the committee that don't live this day-in and day-out -- I'm one of them. This is not what I do for my day job. And it's really important that we get educated and information in advance, well in advance, especially for these big rules. I can't walk into a three to five-day meeting looking at something that is really, really critical and important, and for me not having seen it probably multiple times

by the time I get into that room. So that's all.

MS. HONORABLE: Well taken. Thank you, Chuck. Duly noted. All right. We will take a break, and we will reconvene promptly at 3:15.

(Whereupon, the above-referred to matter went off the record at 3:03 p.m. and went back on the record at 3:21 p.m.)

MS. HONORABLE: We're back on the record at our joint committee meeting, and we are now taking up agenda item number five, which is a briefing on safety management systems and safety culture. We're honored to have Ron McClain with API joining us.

MR. MCCLAIN: Okay. Well, thank you very much. You know, I can't tell you what a privilege it's been to chair this committee. Many, many people committed lots of time, generally two days a month including travel and working session, plus time outside

the meetings. And so I can't really do this without recognizing, you know, the people who have contributed to this.

You know, there was no one who just sat on the sidelines and just kind of waited for people to tell them what to do. Every person was active. I certainly recognize Jeff Wiese and Linda Daugherty. They were very passionate about this, but so was every other member of the committee. You know, Stacy Gerard, fairly recently from PHMSA but excellent job of representing the public. And so we had gas transmission, liquid operators, distribution. We had small distribution operators. We had state and federal regulators. We had investigators, like the NTSB, participate and the public. So I think tremendous effort was put in to having a very broad base of contributors to this, and they were people who really deeply care about safety and improving the situation in the industry.

I always repeat this slide because it was the genesis of our team getting together. And after Marshall, Michigan, this is a direct quote from the NTSB report is the NTSB elevated pipeline safety management systems to their most wanted list, and there were a lot of SMS's out there but not a pipeline-specific one. So that's what this did. And then they identified these several bullets of specific requests, and I can tell you the committee held true to these principles and did not diminish any of them as they developed the RP. We may have expanded on some through our discussion. Maybe there are cases we went a little further expanded on.

One is like our second bullet, document safety procedures, require strict adherence to the procedures by safety personnel. Well, that may mean, for some people that could be limiting. It's really for all personnel throughout the organization,

from management, top management, to the person working at the very lowest level in the organization. They're all committed to adherence. So that's a case where not just safety personnel but beyond that.

Anyway, these guys are the team, and I think they were very well thought out recommendations, two API, to create this pipeline standard.

We had ten elements that were debated for hours. We had eight for a while. We had 11 for a while. I think we ended up at ten. They are ordered a little bit by priority. We can't say enough about the impact of leadership and management commitment within the standard, but that doesn't diminish documentation and record-keeping. We also felt the stakeholder engagement was very important and so on. But these elements each focus on improving pipeline safety performance across industry and at operators.

It's a framework of how to build a

detailed safety management system, and it's important to keep it at a framework because if it's prescriptive you lose some principles that we had adhered to, like it had to be scalable, it had to work for small operators and large operators, it had to allow people to start from scratch with the development of a safety management system, as well as let people who had highly-evolved systems build upon what they had, rather than start over trying to conform to this document. And I think we did accomplish that.

I hope all of you have downloaded from the API site and read through the document. It's not a particularly difficult task to read. I think it is difficult to understand all the pieces and nuances that are in it. It's about 45 pages long. I would say probably 30 of it are very instructional. You know, there is a little boilerplate in the front, but there are introductions, there's scope development and why it's important. In

Section 5, we began with leadership and management commitment. In Section 14, we end with documentation and record-keeping. We don't really end there. There's a Section 15 that closes out the document, and I think Section 15 has gone further in tying principles of safety management to safety culture than any other document out there. That's my opinion. But we've taken each of the ten elements, and we discuss how positive safety culture, we enforce those things like leadership and management commitment.

We also discuss how leadership and management commitment reenforces a safety culture. They're tightly related, but Section 15 spends a lot of time developing how safety culture interrelates with each of the ten elements.

I wanted to update you on the current status. We did post the Version 11 for balloting at API and for comments. And the balloting closed August 4th of 2014. It

was successful with 86 percent positive votes. We had three members vote negatively on the document. I suppose we could say it was finished at that time. We had an adequate number of majority who just published it as it was, but it's really not the best document it could be if you don't receive comments and go back to those members who may have voted negatively.

So we followed up with each of the negative voting member, one, to learn if their concerns could reasonably be resolved. In some cases, we heard things that were important to go back and work on. For example, maybe we had worded something that was clear to the committee because we had spent months debating it. But really the document has to stand on its own. You know, a person has to read it. I don't mean cold read it but have studied it, and you ought to understand what it means. And, actually, we did gain a lot of good input by going back and

working through what people's objections were.

I hope we convert the three negative votes so that we could go away with a unanimous vote in support of the document. But that remains to be seen. I think we did make some very positive steps by talking through with those three members. And I'd like to say they weren't taking it lightly. They weren't anti-safety management system. They just felt there were things they couldn't comply with. And so I hope that, through our discussion and by receiving what we thought was helpful in the document, that maybe we have brought a couple of those votes to a positive.

We also had a thousand comments filed, and we anticipated several hundred. And, in fact, there were many duplicate comments. So as we began to categorize, you know, what each of the commenters said by section, we ended up putting them within three subcommittees of our team. And all 1,000

comments have either been assessed, and we had kind of three criteria we could apply to them. And in some cases, we just accepted the comment, that that was a good comment. Sometimes, we denied things. You know, we just don't agree as a committee with that, but that wasn't done lightly. And sometimes we thought, well, the comment wasn't exactly something we could incorporate, but there was something in there that we should. So those are accepted with conditions.

And I'd like to say I really think going through this process will let us put forth a stronger document. Having gone through all those comments one by one, we've documented how each one was resolved. And the version that we are about to publish I believe is a stronger document. It's not weakened in any sense. It's actually been clarified in places where it was not clear in meaning or what the requirement was. So I think the next round of publication and voting will be very

positive.

Just some of the next steps. You know, we will be re-posting for a second round of balloting and review of comments. And after edits, I mean from Version 12, we'll be moving to 13. That should receive fewer comments or maybe a lot of positive comments. I would say within the 1,000 comments, a lot of it was very positive. They weren't asking for any change. They were supportive. So a number of those.

This slide says publication of the final RP would be in January of 2015. I think it's looking more like February, as I'll show on a chart in a moment. We don't take lightly resolution of comments, and so we actually go through each one. And then to follow the ANCE standard, if we make substantive edits, and I don't know that we've changed principles of the document but we did edit and clarify in a lot of places, so it actually requires a new comment period, and the shortest it can be is

45 days. So that's what we're going out for.

And then supposing that this version becomes the final publication version, we'll work from the committee and with trade organizations to promote implementation through workshops. I think to have an interactive workshop with people who are challenged with implementation or developing a plan is helpful. And then we'll also assist trade organizations with strategic initiatives to help their members promote and implement the RP.

And as an example of that is I work from the liquid committee, AOPL, API, we have seven strategic initiatives, and we had 21 I think. And recognizing you can't do everything at once, we picked out the seven that we thought were the most urgent to move the ball along within industry. And promotion and helping members implement a management system, you know, across industry, that's one of the seven initiatives. So we have a team

to help educate and assist members with what certain things mean and how do you approach it, especially if they're new to safety management systems. And I'm sure AGA, INGAA, and others have similar intent as to come along side their members. And then we'll work across industry lines, as well, to get that done.

This is the actual time line that we're currently striving for. If you look down near the bottom, there's two gray lines where you have comment periods in the next to the last column, and those were originally going to start October 10th. We really couldn't do justice with the number of comments in that period, so that slipped to this Friday. We allow 45 days for those comments to be concluded, which would be December 8th. Then we allowed ourselves a period to make sure that we've dealt properly with all those committees and have our final editorial reviews.

And so this shows February 28th for actual publication. I still hope that it's earlier than that, maybe early February, maybe even the end of January. But as it is with getting rules published, it's not just you wave a hand. I mean, there's a lot of work behind each of these things to take each step.

And, again, I couldn't say enough about the membership for the team and just how hard they worked. And no one has dropped out on about a two-year journey to get to this point. Everyone participated. And what we watched happen from the early meetings, they were pretty chaotic. Everyone brought individual agendas to the meetings and things they wanted in the document. And, candidly, as team chair, I went home with a pretty big headache. But it was really amazing to watch. As we worked through what the ten elements were and how they should be worded, the team recognized the prize and the goal of this

document was improved safety. And so people began to merge on their views, and they turned into a team with a common purpose, instead of a lot of individuals with separate views. So if you can imagine a team with a common purpose, and that purpose is advancing pipeline safety at the industry level, you know, I couldn't be prouder of how far we've come. And I hope all of you will take time to read the document.

And with that, I'll stop for questions.

MS. HONORABLE: Thank you, Ron. And I should have introduced you as being with Kinder Morgan, as well. I think everyone around the table knows that. I think Jeff has a comment, and I don't see any other tent cards.

MR. WIESE: Ron's saying uh-oh. I wanted to just take a second to compliment Ron. I think Ron has shown just exemplary leadership on that committee. I don't dole

that out lightly. I was probably one of the people early on that was really least satisfied with the pace, you know, and the progress. I always want to move faster, you know. That doesn't help me in the regulatory arena, but, you know, in this case, I couldn't, you know, like you, I don't think I could be prouder of a group of people who really argued heavily at the beginning. And now I think you could let anyone on that committee go out and make a presentation, and it would be the same presentation, same delivery.

So it's a real testament to -- of course, it took us, you know, how many months now, as we've been doing this? Like 18 or so.

MR. MCCLAIN: About 24 months.

MR. WIESE: Twenty-four, yes.

MR. MCCLAIN: We thought 18, but I think we're pushing 24 months.

MR. WIESE: You know, Ron wasn't a shrinking violet by any means, you know. But

he also arbitrated and made peace, you know. So I just wanted to personally thank you. I thought you did a great job with that. I haven't seen many better. So I wanted to thank you.

I wanted to say to the committee I echo Ron's recommendation to you that this is not a long document. You know, I think some of us would have liked to have gone into more detail, but it's also the first edition. I believe it's complete. It has the necessary elements in it, and we should be proud of that as a first edition.

SMS, if you're not familiar with it, it does take a while of wrestling with that. You know, Brian and Bessie and people there have been wrestling with SMS for decades. But I also believe that if they're adopted by the operator, you know, in earnest, it will reap heavy dividends, not just in protecting people's lives and the environment, but I believe in a profit sense it will

deliver benefits to the companies.

But I've also wrestled with the whole notion and we talked extensively about should PHMSA require this as a compliance item, and I think we're still on the horns of the dilemma on that. I would welcome advice from the committee, honestly. I go back and forth on it. I'm not thinking now, and that's what I've said to the committee. Who knows about the future? But when an operator means it and they adopt it and they take it in earnest, it can really work for them. But if they don't and they're just writing paper where I've seen documents say "insert company name here," it's a waste of time. It's a waste of paper and money. You might as well spend it on something else, you know. But if you try, it will mean a lot to you.

I did want to say that we held three, we had a comment period before those two. Remember, that was the opened to anyone, anybody who wants to comment on this in the

world, have at it. And we had 600 comments on that one. So we went from 600 to a thousand comments, so I think we're getting people's attention.

The other thing I just wanted to quickly mention was the committee and we worked together to host two workshops, all of which we recorded in discrete sections. One was in February of 2014, and we had American Chemistry Council, the Institute for Nuclear Power Operations in there. We had aviation industry come in. I'm probably going to forget somebody right off the top of my head. But it was quite telling to me the similarity. We had people talking about healthcare, you know, safety culture and SMS.

At any rate, I wanted to point that out to you because that one in February I think was really a very good workshop. It's all on YouTube. You can find the individual segments if you just go to YouTube and search PHMSA plus SMS. You'll find them. I'm

particularly fond myself of the American Chemistry Council presentation by Debra Phillips. They have really gone a long way in the same path that I think we're charting ourselves.

So both the presentations from February and from July are on YouTube right now, and you can see those. And I think it does take a while to wrestle with this before you get comfortable with it. Once you are, I think you see the inherent logic of all those pieces. And, Ron, the one graphic that I wish I had now and I'd throw up there, and the committee all agreed to this, the center of the graphic, it's a continuous improvement wheel, but the center of it is leadership because that's really the heart of this. You know, without committed, serious, consistent leadership, it doesn't work well.

At any rate, I think Ron provided that in the committee, and I just wanted to compliment him.

MR. MCCLAIN: And if I'm might just pass along Jeff's appreciation to the members of the committee. And several are here, but if you come in contact with these people tell them thanks.

I think you touched on, Jeff, we didn't work in a vacuum from other standards. We had a number of presentations and web-based calls. We distributed other standards to the committee to consider how that, in particular, applied to a pipeline system. You know, I believe this is like technology. Sometimes, we worry about technology: do we have the right tool to detect certain defects or other kinds of technology. This is management technology, and I think it has the potential to move the ball further than the other things that get a lot of attention. I mean, for senior management, management, employees to be focused on what's the right thing to do every time, and information going all the way to the top of an organization or the right

information. It's a very powerful thing.

And I know Andy Drake has often used the word acting with intentionality, and I use the word making important things routine. You know, in a world of regulation, sometimes the minutia of what you have to do distracts from really important things. Well, safety management systems causes you to focus on the important things. And if you build it right, you're a force to have certain meetings and take certain steps so you act with intentionality on the important things. And I think it's very powerful.

And then, you know, as for regulation, I do think this is the ultimate performance-based rule. And it's not something you just go assess someone in a few days and understand and you could learn are they making effort toward it or not. But if you can imagine everyone is on some path of continuous improvement, so not everyone is at the same place but they're all moving. And

that's really what's powerful about this. Even within an organization, some locations may not be as far along as others, but you're constantly, as a principle, pushing to move the ball further down the line to higher performance.

And even if a company ever did have perfection, as soon as you acquired someone or built another facility, now you have something else to work on. So the idea of being finished is never quite there. It's something -- and I even heard it in the world of regulation. I think you talk about that it's an evolving thing, and that's the way this will be. Ten years from now, we'll look back and think this was a pretty elementary document. I hope we give operators time to wrestle with it for a while, to understand it, to take steps toward it. But we'll see how that works.

MS. HONORABLE: Thank you, Ron. Very well done. In the interest of time, I'll

acknowledge these three tent cards, and then we need to move into the next presentation. Sue?

MS. FLECK: Thank you. Susan Fleck representing thoughts of a lot of distribution companies represented by AGA. I want to agree with almost everything that Jeff and Ron said. I think safety management systems present a great value to the industry, in general. It allows us and enables us to make thoughtful, deliberate decisions, rather than -- you know, become learning organizations, rather than reacting organizations, where I think we've been in the past.

We appreciated the workshops. We think they brought a tremendous value to the business, allowing us to kind of understand safety culture, understand the elements, and really get better with it. And we're delighted to see the process continue through revisions and all of that.

Until it becomes a regulation, though, we're comfortable with moving away from some of the shalls to shoulds, and I think that's probably going to be evident in the next one. And there's only one other thing that just brings a little bit of discomfort, and it's the use of the word "audit." You know, reviews and words like that, evaluations, are a little more comfortable maybe than audit. But all in all, I think it's a tremendous effort, and we really do appreciate it. It's going to add tremendous value to the business. Thank you.

MS. HONORABLE: Thank you. May I call you Brian? Okay. Very good. Please proceed.

VICE ADMIRAL SALERNO: Well, thanks. I'm new here, so please forgive me. I haven't had a chance to read the drafts yet, but I'm very familiar with the concept. And let me just applaud the group. I do have an appreciation for how difficult it is to put

together a standard of recommended practice of this nature, but I think they're extremely valuable.

In my organization, we are using a, you know, a companion document, if you will, RP 75, which does very much the same thing, but it's older, and I would argue it needs to be updated. Maybe you've offered some ways we can go about updating RP 75, as well.

But, you know, just on the nature of what a safety management system represents, you know, in my view, it's really a strategic shift in the way we regulate and the way we approach safety overall. You know, traditionally, our regulations have been very much a product of hindsight, you know. Something goes wrong. You create a regulation to try to fix the problem you've already experienced, and you hope that you don't have that problem again. This really is more forward-looking, and it puts the burden of

managing risk on the companies. And as you point out, Ron, not everybody is in the same place, but it is a journey. And I think the ones that maybe are further behind can learn from the ones that are more advanced. And I've seen evidence of, you know, in different industry associations where those, you know, best practices are shared.

Our limited experience with this is that, you know, we have made it a regulation, a requirement for companies to have a safety plan. But we're very non-specific as to, you know, how they structure their plan. They just have to have it. We want them to be thinking about it, to put thought behind it, but we haven't cited anybody because we didn't like their plan. You know, it could take many forms. It has to suit their needs, based on their own assessment of where their vulnerabilities are. But we want them to, we're sort of nudging them onto that journey.

The real trick will be, you know, how do you gauge compliance or not compliance but how do you gauge that level of management commitment? Because it's one thing to have the plans and the placards and the colored vests and the safety videos, which are important. I mean, it's sort of the sub-structure of this. But does it translate down into the worker who's actually doing the job?

And I've seen evidence in places where it absolutely has. If you go and you ask somebody, hey, what are your safety responsibilities, and they can answer you, you know, in a very clear way. You know that plan has meaning and value, and that kind of gives you hope that, hey, we're on the right track here. Unfortunately, there's a few companies where it is a paperwork exercise, so that becomes a challenge.

But I think the important thing is we've got to start that journey to get everybody thinking along these lines. We will

never have enough regulations, nor do we want that many regulations, to try to cover every possible decision point in the course of a day. I mean, this is something that has to be owned by the operating companies in terms of risk management.

Anyway, I, again, just applaud you for doing this. I think it's really a movement in the right direction.

MS. HONORABLE: Thank you. Andy?

MR. DRAKE: Andy Drake with Spectra Energy. As Ron said, we're a big advocate of safety management systems, and I'm not going to go into that and the value of them. I think many of have spoken to those. I think we have gas and oil pipes on both sides of the board, very extensive infrastructures. And we've been talking with the NEB and participating in this standard. And I think, you know, I think it's appropriate to take time to think through about regulating this. It's a big shift. It

offers us a big opportunity in performance shift, but it's a very different approach. It's not a definitive pragmatic requirement that you can check a box and say I did this. It's subjective, and it's continuous, and it's an ongoing learning and changing and evolving event. And how we regulate that would be very, very, very, very different, and we need to give ourselves a little space to think through that if it ever came to that.

But I guess my question would be is there, is there any thought about engaging the NEB, in particular, in these kind of conversations? I mean, they're in a very similar asset-based mind set. They're at a very similar risk-based, you know, management public scrutiny, social contracts, all those kind of things. They have management systems in place in Canada. We actually have very similar requirements in Canada. We have to make a management test station to our management system that the officer, executive

officer has to sign annually. And now they're talking about safety culture, which is sort of kind of seamlessly woven into this document. I'm just curious is there any interest in a forum between the NEB and PHMSA, although PHMSA doesn't own or write this document, to share these thoughts? It is a continuous journey about learning, and they're learning and we're learning, and it might just be a good synergy.

MR. WIESE: You know, and Brian might be thinking the same thing I'm thinking. Some things that we do, we're not hiding them but they're not immediately obvious to people. We've been working with Brian with the NEB for years on this subject. We've met at the Canadian Embassy and shared notes. We've shared the drafts earlier of 1173 with the NEB. They had lots of comments, but they also, you know, I think, on a higher level, I think they were very much aligned with it. On the cultural aspects of what we're doing, I

think they were very much aligned with it. They're a little further forward-leaning on that issue than we've been to date.

But, you know, I'm not opposed to the idea. I think we have to socialize this, and the NEB, you know, we meet with them several times a year. We've now started meeting with the provincial regulators, too. So we just got through with Alberta, Saskatchewan, BC, and NEB. So those are going quite well, I think. Yes, up at the IPC when we're in Calgary. I think you were in Calgary like the weekend before we got there, and then you had to come back or something. But I'm game.

You know, honestly, and bringing Brian and people in, these concepts are transportable.

MS. DAUGHERTY: You had that joint panel with NEB on SMS.

MR. WIESE: Oh, yes, yes. As Linda was reminding me, we did do a joint

panel at the IPC with the SMS on this. The new head of the SMS, Peter Watson --

MS. DAUGHERTY: NEB.

MR. WIESE: NEB. I'm sorry. Peter Watson is going to be really good. He really is. I actually enjoyed working with that guy. He was really down to earth. He was interested, asking lots of questions. I think same discussion we're having. So bringing them in, I know NARUC has brought them in to the gas committee before. Peter I think you'll find to be really good. I hope that he takes on that position. Yes, but I think we share that. It ought to be, you know, North American really.

MS. HONORABLE: I wanted to just add I've met Chairman Watson at their meeting, and he's actually quite familiar with our gas infrastructure I was delighted to learn. Very engaging. You probably know that, Andy. And so I look forward to working with him, also.

Now, on that note, Ron is going to

have the last word.

MR. MCCLAIN: Thank you. That's the best one to have sometimes. You know, certainly, we operate on both sides of the board, and we comply with the NEB rule for management systems. There are some things that are more prescriptive. This document is not prescriptive. That doesn't mean it's not very demanding of an operator, but it focuses on what to do, not how to do it. And, you know, in the case, you could have two companies pursuing this but implementing it a little differently. But as long as they're moving -- and I think companies, irrespective of regulation, I hope companies have time to wrestle with what it means and how to get started and the trade organizations contribute.

But companies ought to pursue it with a sense of urgency because there is a benefit to getting further down that road. So that would be my final word is, whether it's

regulation or not, the benefit is important enough for companies to put a sense of urgency to interpreting what this means and doing it.

MS. HONORABLE: That's a great note on which to end. Thank you, Ron. It's a very good presentation.

And so now we will move into our next to last agenda item. You may recall that Jeff mentioned we'd like to conclude with a briefing on LNG matters, so the next agenda item we'll take up as agenda item number six, a briefing on revisions to the National Pipeline Mapping System. Since it is just about 4:00, I would ask, if you're able, to keep your presentation to about 30 minutes, and that way we'll have time to take up the LNG presentation before we conclude. Thank you.

MR. MAYBERRY: All right. Thank you, Madam Chair. I'm Alan Mayberry, and I'll just kick off the subject before I turn it over to Amy Nelson, who's managing the project

and who's done an excellent job in overseeing this project.

As you might be aware, we went out for an information collection a couple of months ago related to NPMS. And by the way, for those of you that are new, Amy will cover a primer on this, but this is an important information collection, important data collection tool for the Office of Pipeline Safety. And also it's an important tool for first responders because they do rely on this in incident response, as far as location of facilities within their jurisdiction. Briefly, the information collection involved, accuracy of the information that's submitted by operators, and then also the data elements.

Certainly, although we went through a pilot project with a number of you in the room before we went out with the information collection and then also at various meetings, you know, the result wasn't without controversy. And we recognize the

need that perhaps we need to have a conversation or deeper conversation on the subject, and so we're planning a public meeting that Amy will get into.

And also just right up-front, a question you may ask is, well, you know, you're going out for an information collection on this NPMS, and did you consider rulemaking? And we did. And, actually, out of re-authorization, we do have authority that covers information collection, and it's consistent with that. And it's a method that we use to collect data such as this. And regardless, the outcome, as we always do, we do engage stakeholders. It's important to us to seek input. And of course, today we're seeking the input of the committee, which we value, as well.

Regarding comments, however, I might add for the public there will be an opportunity in this public meeting to provide comments, to ask questions, so there will be

an opportunity outside of this meeting here today for that purpose. So I would encourage you, especially since we're short on time today.

Let's see. Without further ado, I'll turn it over to Amy Nelson.

MS. NELSON: Thanks, Alan. I am Amy Nelson. I am the GIS manager at PHMSA, and I'm going to talk about the NPMS information collection.

I don't imagine many of you need an overview, but, just in case, the NPMS is a GIS data set. We have gas transmission and hazardous liquid lines. We don't have gas distribution or gathering lines. We also have LNG facilities and breakout tanks. And the authority to submit to the NPMS comes from the Pipeline Safety Improvement Act of 2002. Breakout tank submission is currently optional.

In last year's presentation, I talked more about how we created the data

standards back in 1998. And we had a very skeletal list of attributes or data elements. So an attribute is something like the commodity carried, and the attribute plus the actual map part of the pipeline constitutes, basically, the GIS data set.

So the attributes are rather skeletal, and that has to do with when they were created back in '98 when submission was option to the NPMS and GIS technology was not as widespread as it is today.

So, you know, we've found over the years that what we currently have, which is just, basically, like commodity carried, system name, pipe diameter, which is even option itself, and a couple of other minor attributes, that really doesn't help us meet our mission needs. We're missing many basic pieces of information about the pipeline.

We also have a positional accuracy of plus or minus 500 feet. Again, that's a legacy from the earlier days of GPS and GIS.

And we find that's not adequate for parts of our mission, like emergency response and smart growth planning. And as Alan mentioned, in re-authorization there was a passage saying that we had the justification to collect additional geospatial data.

So we put all this together and came out with the information collection 60-day notice at the end of July. The comment period has been extended. Comments are now due December 1st, and we've just started planning a public meeting which will take place on November 17th in Arlington. At the end of this presentation, I'll have the link for the public meeting to register for it. That just hit the streets yesterday, in fact.

I'm not going to go through all of the data elements of the information collection. There's about 20 to 30 of them, depending on how you look at it. I would urge you to look at the Federal Register notice. That's in the last bullet there, the term that

you can search on for the complete list of attributes. Additionally, it will link to a manual for operators, which gives you specific technical information about what these actually mean. So if we say pipe grade, what your choices are for example, whether that's required or optional. That's all available through this Federal Register notice.

But I do want to talk about the positional accuracy. There's been a lot of discussion about that. We propose that it be tightened to five feet for the could affect segments of high-consequence areas in class three or four locations and 50 feet for other segments.

Again, we can clarify points during this meeting, but I will ask, if you want to make a comment about the burden that constitutes or anything else, please submit that comment through the Federal Register where we can officially review it and respond to you.

So there's the positional accuracy. There's a couple of attributes becoming mandatory that are currently optional, like pipe diameter and submitting breakout tanks. And then there's a class of new attributes, and there are things like MAOP, the highest percent operating SMYS, the class location. And the class location, just a footnote, that's a predominant class location.

Another concern we have is the amount of segmentation this will introduce into GIS data sets. I'm not going to go too far into the techie stuff, but it has the potential to make the data set a lot bigger and that's a concern for us, as well as you. And also things like pipe grade and wall thickness. But, again, for the complete list, please do go to the Federal Register.

There's been some concerns about how PHMSA will use the new data. It helps us meet our mission goals in a much more

effective way. For example, emergency responders and government officials can create better and more appropriate emergency response plans. PHMSA is able to more effectively evaluate regulations, operator programs, and procedures. It will help our risk shrinking and evaluation methods.

Our emergency responders are a very important partner to us, and we'll be able to provide them with more reliable and complete data set of pipelines and facilities. And, you know, last year, we'll be able to provide better support to our inspectors with better pipeline locations. As you know, there's many areas where pipelines run so close together, the 500-foot buffer, if you will, could have ten other pipelines running in that swath. Additionally, the inspectors will have access to geospatial data that they can link back up to tabular data in PHMSA's inspection database.

Now, there can also be the

question if some things are collected tabularly, why do you need them in GIS? And the response to that really comes down to a couple of things. First, patterns are much easier to detect if you can see certain characteristics on a map than if you are thumbing through tabular data and you can see maybe the county, maybe kind of know the general area. Once you map them, you can see in an instant patterns that you cannot see in tabular data. It also helps us trace the pipeline's performance as it is bought and sold by different operators, something that we can't effectively do with just tabular data.

Once we tie these attributes to the piece of pipe that's in the ground, then we can create a more complete picture of what's happened to the pipe over the years as it's been bought and sold and, you know, different events have happened on the pipe.

So just some important dates for the information collection. The public

meeting will be November 17th, that's a Monday, at the Crystal City Marriott in Arlington. Again, I'll have the link at the end of this presentation for that. It will be pretty much all day, 9:30 to 4:00. It will have a combination of PHMSA speaking, pipeline operators speaking, other government stakeholders speaking, and public speakers, as well. We're just finalizing the agenda for that now.

So the comment period closes on December 1st. We wanted to have the public meeting while the comment period was still open. Also, the public meeting will not be webcast, so if you're interested I hope that you can attend in person.

I want to talk a little bit also about the time line for the information collection just to allay any fears that this is something that could happen, you know, next spring. That's not the case. In 2015, that's the earliest year that the information

collection could be final. You know how regulations work in the government. It could be a lot longer.

Say it is final in 2015, the earliest possible year that we'd be collecting this new data is 2016. And, you know, PHMSA is also considering a phased approach. We understand this is a significant burden for operators in terms of cost, time, systems, everything else. You know, please submit your comments if you have ideas maybe that you could group the attributes into groups, and there are some attributes that could be submitted the first year. There's another group that might take more time to compile, and you need more time for that, etcetera, we're certainly willing to consider that. And we'll do this in a formal way through the comments in the Federal Register.

Another topic that I wanted to go over was data security because, to me, this is a very important concern when we're collecting

this new data and there's attributes, like MAOP, on this data. That's obviously a sensitive attribute. So we've been working with TSA to categorize each attribute into, basically, one of three categories: either SSI for government officials only which will correspond to PIMMA which is our password-protected map viewer application; and the third class is elements that could be available to the public on the public viewer. That's, you know, obviously still being worked out, still in a draft mode. I don't want to talk about the security classification of any specific elements until it's kind of been reviewed by all stakeholders.

But I will say that if you're worried that these elements are going to be made public, that's not the case for the vast majority. I just have two examples here. One of the attributes in the information collection is what we call commodity detail. So the commodity might be crude oil. We're

proposing an additional level of detail for just a few of those commodities: natural gas, crude oil, and I think product might be the third one. So light, sweet crude might be the commodity detail that is required. If you specify crude, you need to pick one of the specific options. That could be available to the public.

And another very, you know, kind of minor one is whether a pipe is considered onshore or offshore. That, honestly, is just a designation that helps me and my staff because operators, there's really no kind of universal GIS boundary for onshore/offshore. Operators characterize it differently than PHMSA does sometimes, so we need to have a universal this is onshore, this is offshore. We need you to tell us what you designate it so we can, basically so we can match up the mileage for the annual reports and our other systems, our inspection system and the NPMS.

So, again, when we sent in the

comment period, we did put some language about the data security in there. But I just, you know, it warrants further discussion, but I just want to say that very few of these things would be available to the public.

Again, here's my contact information, my email and phone number. Please take a look at the Federal Register page. And if you go to that link at the very bottom there, primis.phmsa/dot.gov/meetings, you'll see the NPMS meeting right at the top there, and that's where you can register for the meeting. And when ready, we'll prepare the agenda and notify everybody of the logistics.

Okay. So that's the summary of the information collection, and now I'd like to take any questions.

MS. HONORABLE: Thank you, Amy. Well done. And I see Ron's card up.

MR. MCCLAIN: Thank you. Amy, I certainly agree NPMS could be a lot better

than what it is. You know, I do have some concerns about five-foot positional accuracy. You know, you can go to any point on a pipeline and get submeter accuracy. But, you know, we operate 80,000 miles of pipe, and a significant amount of that could affect HCAs. So let's say you have 10,000 miles of HCAs and you get 90 percent of it better than five percent, you're still ten percent non-compliant. You know, given the difficulties in large databases and multiple tools that present different GPS data even, how will you address that? Because we shouldn't pass rules that you can't comply with. And while you can comply largely to have certain 100-percent compliance, it's very, very difficult. So have you thought about that?

MS. NELSON: Thanks for your question. Yes, that's been a topic of a lot of discussion. So I see a couple of different elements to your question. The first is what if you can't get 100 percent of your lines to

five-foot accuracy? Our intention is not to get any operators in trouble or, you know, come down hard on any operators. I think that what we'd like to hear from you is what would it take to get one of two things: what would it take to get the additional ten percent to a five-foot accuracy? Is it a question of just time, you need more time? Is it a question of just money or a combination? Is there a horizon in which you could comply with that?

The second is if you just say it's just not going to happen, you know, these lines, for whatever reason, cannot be brought into that kind of accuracy. They'd have to be, for example, exposed in order to, you know, see where they are because the as-builts are from decades ago and so on. Then please suggest an accuracy that you feel more comfortable with in your comments.

MR. MCCLAIN: I'm sorry I didn't say my name. Ron McClain with Kinder Morgan

on the liquid side. But, you know, we look forward to working with you. I think the workshop and comment process is the right thing to do. I don't know how you would fix up compliance where you're 90-percent compliant with five feet and the rest of your system is six feet. And when you're dealing with very tight tolerances over very large systems, I don't know if you ever get to five feet everywhere.

So we'll wait and work through the comment period, but, as a performance criteria or a prescriptive criteria, I think that's very, very tight for a large system. But, anyway, I think the comment process you've outlined is the right way to do it.

MS. NELSON: Thank you. I just want to add, as well, you know, I'm a GIS professional and I do understand, certainly, that your initial accuracy you start out with gets watered down through processing on your end. And then when it comes to us, it gets

watered down even further, as we re-project, etcetera. So we do understand that the accuracy that the operators submit to us may not be the final accuracy that's in the NPMS systems. So that warrants further discussion, and we'll talk about that more at the public meeting.

MS. HONORABLE: Craig?

MR. PIERSON: Thank you. Craig Pierson, hazardous liquids. Just a couple of points. I'll reiterate that we look forward to having good dialogue in a workshop, and I think my company, as well as others, has tried to work with PHMSA and see you want to advance this, and we share wanting to advance the technology and the information.

The positional accuracy that I think is important to understand is what you're trying to settle on what is a latitude and longitude and perhaps a Z-coordinate to describe the pipe at a particular spot. And that is different than trying to find the

pipe. We can find our pipes. In fact, with our ILI, we can find minuscule cracks, where they are in a pipe body. You know, that delivers safety. Knowing the latitude and longitude as we try to drive approval for the organizations, we've not ever heard, I've never had anyone come to me and say, by gosh, if I had just knew the latitude and longitude within plus or minus some feet, we'd be so much safer. It doesn't resonate that it drives safety.

And so if you can help in the workshops, you know, get that, why is it that we need that level of accuracy, because it, frankly, can be just almost impossible to get. And I'll give a quick example. So we run GPS and our ILI tools, and every half a mile you have an above-ground marker, and that has a very accurate reading. So there's an inertial system in the ILI tools that goes from marker to marker, and it's trying to do the best job it can of figuring out where it is, its

latitude and longitude. And that can get off. As it takes twists and turns, it can get off. And so then you get your data back and you plot it on and you try to line it up with an aerial photograph, and an aerial photograph has its own amount of error which can be ten feet. So you end up saying, okay, I've got a blocked valve site from aerial photograph, and the latitude and longitude from the ILI is not lining up. Well, you move the pipeline to line up with the visual of the latitude and longitude, and all of a sudden you change the latitude and longitude more than five feet.

So those things are important that the maps look right and the people can go find the pipe. The five feet is not resonating as something that's so terribly important.

Having said that, we are constantly trying to improve the technology and ILI is trying to approve it, and we'll submit on an annual basis our updated data. And it feels like we've got to understand

that.

From a security perspective, we'll be very anxious to hear about that. I guess to sum that up, it feels like we're making it an easier target by pulling it all together in one spot. If someone is wanting to do harm, it's one-stop shopping. And so if you can address that threat in the workshop, it would be appropriate.

And then, lastly, as we work through what it is we do want to achieve, there is some cost and benefit. We talked about the tabular, putting all this tabular data into GIS. Can we do it? Heck yes, we can do it. Could it be expensive? Heck yes, it can be expensive. So then what are we trying to achieve with it?

So those are some of the things that we really look forward to working with you on and trying to figure out how we meet your needs and do something that makes sense to us. So thanks for the opportunity to

comment.

MR. MAYBERRY: Thanks, Craig and Ron. I just might add that, you know, in the conversations that I've had with stakeholders, I think there's common agreement of the end state. We'd like to be there, and it's where we want to be. What we're looking for is a roadmap in how to get there. And so at this workshop, we'd really like to talk about solutions to, you know, what are the issues. I mean, sure, that's good, we'll discuss those. But what are ways to work around those challenges that are out there? So we look forward to that discussion there.

MS. HONORABLE: Chuck?

MR. LESNIAK: Chuck Lesniak, Liquids Committee. A couple of comments. One is you might consider an additional category of information because I understand the security concern versus things that are government official only, public viewer. And there might be another category that is it's

not available on the public viewer, but it's available to the public but it has to be by request so you know where that information went. And so that if something happens with that information that you think you want to know, you know where you've released that information because you don't want to make this so that you collect it and the only way that the public can get it is through a subpoena or FOIA, both of which are difficult.

And so I'd encourage you, I would way that all of the information ought to be available to the public, but you may want to just track some of it where it goes.

Then another comment is one of the attributes that might be good to have, particularly for emergency responders, also for land development and city planning aspects, is depth of cover, where that information is available.

And I do understand the issue with location, particularly with much older lines,

is as an alternative to X and Y coordinates, lat and long, is, if the right-of-way boundaries are known, that would be helpful and that might be an inexpensive alternative in certain cases for certain operators is they may not know plus or minus five feet where their line is, but they may know where their right-of-way boundaries are and that they can say we know our line is in this boundary. Sometimes, they can't say that either, but that may be an alternative to exact pipeline location. Thank you.

MS. NELSON: Okay. Thanks for those comments, Chuck. I'm just kind of stuck on that right-of-way boundaries in that it would be a polygon and not a line, just from a techie perspective. We can talk offline about that a little bit more.

I have noted your request to talk about depth of cover. And tracking data that's available to the public, I'm just not sure how we would do that. So we already

track who makes data requests from government officials. And, you know, there's been just a few cases where we've seen the data be released in an unauthorized way. I'm able to go back to see who from the agency requested the data and kind of figure out what happened there. But I think probably we should talk further, if you'd like, about exactly how you could track information that's given to a member of the public, how you would know who it went to, given that GIS data can be easily converted into different formats.

MS. HONORABLE: I have Andy, Sue, Chad, and Rick, and Carl. Andy?

MR. DRAKE: Andy Drake with Spectra Energy. I think it's appropriate to impose some sort of, looking at some way to improve the data accuracy and even the number of attributes. The system is 15 years old. You know, we came up with an idea back 15 years ago. It's time to grow up. We all agree with that.

Operators, Spectra for example, we've been working on gathering submeter data on our pipe for the last ten years, and we still have a long way to go. And we've been working very actively trying to gather it just for our own business value.

I think the thing that strikes me is, first of all, I appreciate you extending the comment period and putting the workshop together. I think that's really appropriate to your end. Let's get together and vet this out.

I think there's a little bit of concern is we have talked about this in the past, and we've seen the data attributes expand and the accuracy grow smaller. So there's some angst that people feel like they're not being heard. They're going the wrong way, saying more metrics, more attributes makes it incredibly more complex and more expensive, and tighter data accuracy does the same thing. And as a result of those

comments, we saw the attributes go up and the data accuracy, the number of attributes go up and the data accuracy drop down.

So that's a little bit of why I think you got people's attention right now. I'm not sure what happened the last time you asked our opinion, but it doesn't look like we were heard.

But I think the thing that strikes me, and I echo right where Ron is, is, you know, we operate tens and tens of thousands miles of pipe. The difference between what's possible and what's practical is a big deal. It is possible to get data submeter. We do it all the time. What's not practical is to do it on 70,000 miles of pipe. It's not practical, it's not going to happen, it's not going to happen any time soon.

Time is also our friend. I think you hit on something when you mentioned phasing this. I think setting priorities in both attributes and locations is a big deal.

You're basically creating a sea shift in information. If that can be worked into or focused in areas and worked in normal work, the ability to do that becomes much more ready. But when you issue a guidance, and I know this isn't a rule but it kind of becomes an enforcement rule, all becomes all. And some deep place where I'm buried or in a mountainous area where it's difficult to get the positional accuracy or I'm far between AGMs, not a chance, so now I'm out of compliance and that's not good.

So how do we work through that is a big deal. Where do you need this level of accuracy? Where is it helpful? What kind of information do you need I think is really key. Many of these attributes, I don't even understand the value of them. And I think that's what will be discussed in the public workshop.

But we would agree diameter, MAOP, you know, those kind of things, yes, sure, we

should be able to get those out there quickly. But, you know, I do think that you have, the more we can break that down into phases with priorities over time is a much, much better solution. So I think maybe that's a thing for all the stakeholders to come to that workshop thinking what do you really need urgently and what do you want and then work it out in both accuracy and attributes and locations. Thanks.

MS. NELSON: Thanks, Andy. These are all great questions, great topics that will be discussed at the public meeting. Again, we understand that the accuracy standard is contentious. We will certainly work with the operators on that.

I just have to mention there's only been maybe two attributes that have been added since I last spoke to you guys, and that's just because I couldn't talk about the entire list of attributes until it was out for comment in the Federal Register. So I just

picked a few that everybody could kind of anticipate were coming. And PHMSA's list did not change much over the past year at all. Thanks for your comments.

MS. HONORABLE: Sue?

MS. FLECK: Sue Fleck on the Gas Committee. It's good going towards the end because all my issues have been covered almost. I'm just going to throw out a couple other ideas or a couple of other things to think about.

You're looking for comments and collecting data, NHCAs, but HCAs are in the process of being redefined. So how are we going to provide comments when we don't even know what HCA is really going to mean until the other gas rule comes out, and we have no idea when that's coming. So the timing could be a little bit of a problem here.

The other thing I want to throw out is we haven't really talked about it. A lot of the larger companies are speaking now,

but the burden on some of the smaller companies to collect this kind of data, and maybe they don't even have GIS systems and they may be working on more rudimentary type programs, I think could be a real problem.

And then since this is another -- I'll just throw out one last thought. This is a guideline. It's not a regulation. So when we go to our regulators to talk about, you know, cost recovery, because this is going to cost a lot of money and it's going to be a very big deal, they're going to want to see the value proposition for the customer, not just for the safety regulatory. So to add to the burden, the already huge burden on customers to pay their bills, we have to think about how this, you know, creates some value for them, as well, because, otherwise, we'll never get it through our regulatory commission. So there's some definite issues there.

And thanks for the opportunity to

comment, and I look forward to the public meeting.

MS. NELSON: Thanks, Sue. I just want to address the point about the operators who don't have GIS. I find that there's very few of them. We do have maybe ten operators out of 1100 or so who are still using coordinates in an ASCII text file. I understand that some of these other operators do pay a contractor, you know, once to do it, and then they just kind of cross their fingers that they'll have no changes and won't have to update it. But most of them have their data in GIS format, no matter if they did it themselves or someone else did it for them.

MS. HONORABLE: Chad?

MR. ZAMARIN: Thanks. Chad Zamarin with Cheniere Energy. Just one comment I think is important because it sounds sometimes scary to have positional accuracy that's, you know, not better than 500 feet. But I think it's important to note NPMS

mapping is not the same as the integrity management process where we know relative positional accuracy of the information that we need to make decisions. So the location of a home with respect to our line, you know, that's stuff that we do and the regulations account for inaccuracies and we have to factor those in. So this is about having the ability to present information for dissemination to first responders, for the public.

And I participate in my company with PHMSA on this effort, and what really interested me the most was the process. You know, we spend a lot of time submitting information, compiling information, and we need to spend more time on analyzing information, reacting to information. So, you know, I think the idea of a phased approach, the focus of data exchange efficiency that can happen between industry and regulators and the public, and then content becomes easy if you focus first on the process.

So not having expanded NPMS in a long time, you know, we were talking earlier, it makes a lot of sense to focus on maybe the most important thing you would use it for first. And if that's first responder information, then get the diameter, the pressure, and the commodity transport. And with that alone, you can do, you know, an impact analysis for first response, and that's probably the single most valuable thing you'll get out of the data.

So I think phasing it in is really important and recognizing that just because we don't have an accurate center line in NPMS doesn't mean we're not complying with the regulations to know where our pipelines are with respect to homes and businesses and communities around us because that sometimes gets lost in the conversation.

So that's it. Thanks.

MS. NELSON: Thank you.

MS. HONORABLE: Thanks, Chad.

Rick, you've been very patient over there.

MR. KUPREWICZ: I'm always very patient. Rick Kuprewicz with the Liquid Committee. First of all, I'd just say deep breath. We're confident that the regulators will get there in the right place. Don't feel like you have to be defensive. That's just the nature of this animal here.

A couple of general observations based on much experience and interactions, some of it many years on the Washington State Citizens Committee after the Bellingham tragedy, we spent years discussing about records and what should be made public. They're all public record meetings. They're all open and open for discussion. Some of them got pretty contentious. And between myself and Carl, I don't know which one of us was a skunk monkey, being called by some of the members of the public, because we were just trying to, here's the facts.

I think, from what I'm hearing, a

couple of observations that might be of some value because I won't be able to probably be at the 17th meeting. There are some additional information that you want to add to your system, and that's valid. What I'm hearing here is you're getting a lot of contentious about location. That probably is way overworked, okay? Many years of discussion at the Citizens Committee, we finally figured out a resolution. It wasn't necessarily the one you want to use, but many of the pipeline operators just don't know their exact location of their pipelines and for many various reasons, nor do you ever want to create the impression that a GIS system gives anybody the exact location of a pipeline when a half an inch can mean the difference between life and death. We have a whole other process in play called One Call that serves that purpose, and we don't want to defeat that.

So I think you're going to end up

being, the way the dynamics is going here and if it shows up in the workshop is we've got these other positive things that ought to add to a very important database. Some of it may be made public, others may not. But it can become a battle on, you know, should we get the resolutions better, and our advice would be you might want to step back off of that one because there's great entrapment here to take that as to be a pipeline locate tool. And that can be really bad.

So I think people can work and get to where you need to be. There's a little apprehension here. There's a need, I think. There's a recognition to improve that database. I think you'll get general consensus there. I also heard about the phasing of it. This database is going to go exponential. That's just the way this stuff goes, and that's why we have computers.

So I support where you're going with this. I'd be very careful about

creating, and this is a trap that the data guys love and the techie guys, is more data means better data and we can use this tool well beyond its ability. So I think I heard earlier here about what are you really trying to do with this database? If it's enhance first responders and all that, things like pipe diameter and certain attributes, you know, what's in the commodity and whatever, those are things you might want to zero on to have a more productive workshop. But I'd bet you, I'd bet you my bottom dollar there will be a battle about pipe locate, just from what I'm seeing today. So good luck. Thank you.

MS. NELSON: Thank you.

MS. HONORABLE: All right. Bringing up the rear, Rich.

MR. WORSINGER: Rich Worsinger, City of Rocky Mount. Most of the comments have already been covered but just to build on a couple of them. I guess my question is I can understand why you'd want to know

diameter, why you'd want to know product, pressure. But I struggle with why a first responder would need to know the accuracy within five feet.

APGA's members, less than five percent have transmission pipelines. But all of our members receive our gas through pipelines, and this is going to come at a cost. And if the pipelines, as Sue pointed out, are allowed to past this cost along to the customers, that affects us, my customers.

So I'm just concerned about what is the value versus the cost, and what is it that you're really trying to get at? Again, I just don't understand what a five-foot, plus or minus, location would provide an emergency responder. Thank you.

MR. MAYBERRY: Okay, Rich. Thank you. We'll better address that at the workshop, but I know that's an issue we've heard. Yet, obviously, we need to move the ball forward, so just for some of the reasons

that Amy had stated regarding busy rights-of-way and that sort of thing. But, anyway, we'll address it further at the workshop. Thanks.

MR. WORSINGER: I agree we do need to move the ball forward, and I think that comment that the data we have, was it 15 years ago, Andy? Great, yes. I mean, the world has changed since then. But let's be careful what balls we're trying to move forward. We can't afford, necessarily, to move them all forward, especially if some of them don't provide the value, because that diverts money from other things, like maybe complying with PSMS.

MS. HONORABLE: Thank you, Rich. All right. We ended on a great note, and so that will whet your appetite to attend the public meeting, won't it?

And so, as Jeff indicated, we will take up one additional item that was originally on tomorrow's agenda, and it's agenda item number seven from the October 22nd

agenda, a briefing on LNG, and it will be provided by Alan Mayberry and Ken Lee. Right. Jeff is whispering to me. Our objective is to get you out of here at 5:00. The future depends on you.

Alan, take it away.

MR. MAYBERRY: All right. Thank you. And here again, I'll queue the subject up, Madam Chair. Thank you very much. Since we last met, a lot of things have happened related to the issue of LNG. We're talking liquified natural gas. And Ken will give you an overview of that.

I might add that Ken came on the scene, and, soon thereafter, he, as our new director of engineering, relayed a challenge related to LNG and the influx of import or export facilities. It used to be import facilities, and now it's export facilities, and then, more recently, other applications for LNG that Ken will go into briefly here.

But Ken stepped up to the plate

and had to put additional resources on it. I know we went out and got some additional help from Oak Ridge National Labs. We also added up or beefed up our staff at the Office of Pipeline Safety related to LNG. And I might add that rumor has it the SM office over there at FERC -- Jeff, I don't know if there's any truth to that, but I know we've been joined at the hip through the process, especially in reviewing export facilities.

It's been a big topic when I've been to the Hill talking to congressional staff related to, you know, the interest. It's been high interest on the Hill as far as moving export applications forward, for instance. And then also some of the newer applications for smaller type LNG facilities that are out there that Ken will discuss.

I might add, too, that these aren't limited to interstate facilities. We are also working with the states. And here more recently, we've worked with the State of

Washington on an application that looks like might get geared up out there and then also in the State of Louisiana.

So it is a very hot topic, and Ken's here to tell you why. I look forward to any comments you might have, but I think we're looking to get out by five or a little bit thereafter.

MR. LEE: Yes. I just have 13 slides, and I'll do my best to be brief. And I want to thank everyone for staying.

There's a big rush to export LNG, and this map -- okay, we got it here -- this map pretty much summarizes the big economic driver why. The price of LNG in the U.S. is three times lower than in Europe and about five times lower than in Asia. And this is due, you know, in part to the increased shale gas production. We have an abundant source of low-cost natural gas in the U.S.

Just a decade ago, the forecasts were that the U.S. would run out of natural

gas and we would need to import all of our gas. And, I mean, it's amazing how much the tides have turned. Now we're talking about having too much natural gas, and we're poised to be the world's largest exporter of LNG. You know, this is due, in part, to the big shale gas boom and the low price of natural gas here in the U.S.

There's a lot of work that's being done to convert a lot of the import LNG marine terminals into export. Right now, there's plans to convert six of them from import to export or to add export to existing import.

This slide details the main federal regulators that apply to LNG. The Department of Energy authorizes the import or export of natural gas, or LNG, in and out of the U.S. FERC is the main authority that authorizes siting, construction, NEPA review of LNG.

PHMSA's role, we act as a cooperative agency to FERC, and our role is

limited to 49 CFR Part 193 that mainly deals with siting. This is for new construction and for when the plant is in operation for inspection of these plants to meet Part 193.

The Coast Guard is also involved with LNG. They oversee the LNG vessels, marine transfer, ship navigation, and security in the ports.

So like I said before, the FERC is the lead agency for siting of LNG for interstate and international commerce. FERC, they prepare 13 resource reports in order to do that.

PHMSA's role is a cooperating role to FERC. We comment on only two of the resource reports, and we evaluate the project to meet Part 193. Another thing which we do is, you know, after the facility is built, we have our field staff that perform inspections to meet Part 193.

A lot of our evaluation is ongoing. We evaluate if any significant

changes are made and also during the operation phase. So our role doesn't stop in the initial design review phase.

We set up a website to answer many of the LNG facility review questions. And this is our website here. We have a list of project status, and we have a list of frequently asked questions because we realize that 193 was written years ago and it didn't take into account the risk of today's modern export and small-scale LNG plants.

So this is from our web page of LNG project status. And here, as you can see, we've issued 13 review letters to FERC since November of 2013. And there's three that are in process that you see are in review.

If you take a look at the FERC website, they show that -- on this map, it shows 13 LNG export that are proposed. Since this map, FERC has added one more. Two more? Okay. Two more. I know that Downeast LNG and Maine was added to this list. They announced

plans to add export to their existing import application, and there's one more in addition. Alaska LNG. Thank you.

One of the main parts of the 193 requirements is siting. And the exclusion zone is the main issue there, and there's two main exclusion zones. The first one is for thermal radiation, and this is like the PIR calculations. And we reference NFPA 59A where they have three thermal radiation levels that they need to design to.

The other exclusion zone is based on the flammable vapor gas dispersion, and that's based on a 2.5 per percent natural gas concentration in air. And typically, you know, your property needs to contain these zones. So that's, you know, there's much more to 193, but this is one of the main requirements.

And these are very complicated. They can involve three dimensional vapor dispersion models that takes weeks of computer

time to run. This may involve an analysis of hundreds of piping lengths to evaluate which one is the worst case release. We have two engineers working on this, and we have two consultants to try to help us with the tremendous increase in workload in the past year.

One of the things that's made our job a lot more complex is the trend of going from a single containment tank to a double full containment tank. In the past, the worst case release was from the large LNG tank, and that would typically mean you need a large site. Now, with these double full containment tanks, the outer concrete shell will contain any tank release. And so now we need to evaluate, it could be hundreds of piping lines, tanks, valves, to try to figure out which is the worst case release. So it makes the job a lot more tedious.

We are constantly updating our FAQs with a lot of the issues which we've seen

here, like vacuum jacket of pipe, new calculations of wind speed, things to address the refrigerants which are present for export but not for import, and the failure rate models that are being used.

We realize that 193 is pretty old. It was first issued in 1980, and it was focused on LNG import. I mean, this was written before all of the shale gas plays occurred, so it didn't really take into account the risk that we see now with export of small-scale LNG. So we realize that it needs some serious updating, and we started on that path on addressing many of the issues that you see listed here: defining single accidental leakage source to address the additional risks with the liquid faction, the trend, like I said, going from single to double tanks. And assessing the risk is difficult because there's been very few LNG incidents to calculate your risk likelihood number. So that makes the job very difficult.

But we've created a cross-functional team which includes FERC and a lot of the stakeholders to try to develop these rules.

Another thing is, you know, we realize that we reference an older version of 59A, NFPA 59A. It has created issues because right now it's the 2001 edition, and we're working on trying to resolve that.

So under the big market trends, you know, that we've seen is the big boom to export LNG, and this includes building brand new facilities, as well as converting import ones, and also construction of dual import and export in case the tides shift again and we need to import LNG as a country.

There's also a big boom to build small-scale LNG plants. That's driven by the high cost of crude oil, which includes the price of diesel and fuel oil and the cost of complying with stricter emissions regulations. And so UPS, they have over 1,000 LNG-powered trucks right now, and right now in the U.S.

there's over 64 public LNG vehicle fueling stations, according to US DOE, and that is just starting to take off. And we've just started our first discussions with small-scale LNG operators to address the compliance issues with Part 193.

Thank you. Alan and I would be pleased to answer any questions which you may have.

MS. HONORABLE: Very good presentation, Ken. Rich?

MR. WORSINGER: Rich Worsinger, City of Rocky Mount. Would you mind going back to your first slide?

MR. LEE: This one?

MR. WORSINGER: The next one. So from your presentation and from this slide, I take it the driver here is basically the amount of work that PHMSA needs to do in regards to the review and siting approvals for the sitings of these various plants; is that correct? That's what the driver is behind

wanting to increase the LNG fees?

MR. MAYBERRY: No, that had to do with how we calculate the fee. It was trying to reset how we calculate it. This wasn't a driver for that, a primary driver anyway.

MR. WORSINGER: So it didn't have to do with the amount of work associated with all of this?

MR. MAYBERRY: Absolutely not, yes.

MR. WORSINGER: Just a couple of comments, observations. APGA's concern with this change to a tiered structure, there are a number of small LDCs that use LNG for storage and for peak shaving. Back in North Carolina and Greenville Utilities is the largest municipal LDC. They have a total of about 22,000 customers. They have storage for 4,875 barrels of LNG, which they currently pay $1,250 a year. With this proposal, that would go up to $10,000 a year, which would cost Greenville Utilities $2.00 per barrel. Sabine

Pass Export Terminal with over five million barrels of storage would pay $60,000 or slightly more than one penny per barrel. So that's one penny for Sabine Pass versus $2.00 a barrel for Greenville Utilities.

I'm concerned that the citizens that live in Greenville, North Carolina, as well as other small LDCs, would be paying for these increased costs for the exportation of LNG, which, obviously, is being done to make a profit. My point is pass the cost along to those that are making a profit, not charge those that use LNG simply for peak shaving. Thank you.

MS. HONORABLE: All right. Chad?

MR. ZAMARIN: Chad Zamarin, Cheniere Energy. I didn't plan to thank Rich for suggesting to pass the cost on to me, but I will. Thanks.

We are building two LNG export terminals, and I just want to make two comments. First, I wanted to compliment you,

Ken. I've heard from our staff numerous times that you and the PHMSA team have been extremely helpful in not only moving the process forward but making sure it was a better and safer facility. So, you know, really great job and my compliments to you and to the entire team.

And then the second comment was just an invitation to any of the committee members. We have a project underway, the Sabine Pass facility. It's the first LNG terminal under construction. We have about 5,000 people working on the job site today, 130 cranes. It really is an incredible project. That facility will liquify and export 4 BCF a day of natural gas, so it will be one of the largest new markets created in the United States. And so just an open invitation to anyone on the committee, if you'd like to go to the facility or learn anymore about the project, feel free to reach out. Thank you.

MS. HONORABLE: Thanks, Chad. I'm sure some of us will take you up on it. I've had a couple of invites, but it's just been an unusually busy year, so I haven't been able to take you up on that.

Any other questions or comments? This really was a great end to the day, and we are all quite interested in what's going on with LNG, both with continued efforts underway here and efforts to export, as well.

All right. So it sounds as if no other tent cards. You all are ready to go, aren't you? So as you prepare to leave for the day, please leave your name tags and tent cards on the table. And you can leave your paper items, too, but Cheryl recommends that you take your regs with you. You may not see those there tomorrow.

So in keeping with our plan, we will recess for the day. But before we do, I will yield to Jeff to see if he has any closing matters. But we do plan to begin

promptly at nine in the morning. So I'll turn to Jeff.

MR. WIESE: Thank you very much, Colette, and thank you so much for doing an excellent job of chairing again. I'm always thankful for that. You do an excellent job.

I thought I would just read the U.S. Constitution to you before we would leave here, just to remind everybody about our foundations.

No, I did want to say to Chad's invitation, you know, we have talked before about meeting outside of Washington. I would really love to do that. I would like to, you know, sometime do it in conjunction with a tour of a facility that is related to the business we're talking about.

Right now until the middle part of December, federal agencies, particularly us, are taking a 30-percent cut on our travel budgets. And we don't affect our inspection and investigation budgets. We won't do that.

So the whole 30 percent comes out of pretty much everything else. So it's been very difficult. We've had to postpone a lot of stuff. But you wonder about, you know, you don't see these things in the background, why do things take longer, you know. We'll punt for several months now on several things, or we'll hold them in D.C.

But I very much appreciate the offer. I'd very much love to do that. I've seen the photos, you know. I think it would be fascinating to have a committee meeting out at a facility like that where we can have hands-on.

But at any rate, I want to thank you so much for your service today and look forward to seeing you at 9 a.m. tomorrow morning.

(Whereupon, the above-referred to matter went off the record at 4:56 p.m.)

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C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: Gas Pipeline Advisory Committee

Before: US DOT

Date: 10-21-2014

Place: Washington, D.C.

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

Neal R Gross

Court Reporter

Agenda

JOINT MEETING
Gas Pipeline Advisory Committee
and
Liquid Pipeline Advisory Committee

October 21, 2014
(1:00 pm – 5:00 pm)

1:00 pm	**Call to Order** Committee & Staff Introductions	Jeff Wiese & Committee Chair
1:15	**Agenda Item 1:** BRIEFING: PHMSA Acting Administrator	Tim Butters
	Committee Discussion and Q&A:	Committee Chair
1:30	**Agenda Item 2:** BRIEFING: Opening remarks	Jeff Wiese
	Committee Discussion and Q&A:	Committee Chair
1:45	**Agenda Item 3**: BRIEFING: Emergency Response/Public Awareness Update	Tim Butters Sam Hall
	Committee Discussion and Q&A:	Committee Chair
2:15	**Agenda Item 4**: BRIEFING: Regulatory Update	John Gale
	Committee Discussion and Q&A:	Committee Chair
2:30	**Break**	

2:45	**Agenda Item 5**: BRIEFING: Safety Management Systems and Safety Culture	Ron McClain
	Committee Discussion and Q&A:	Committee Chair
3:30	**Agenda Item 6:** BRIEFING: Revisions to the National Pipeline Mapping System	Amy Nelson/Alan Mayberry
	Committee Discussion and Q&A:	Committee Chair
Moved from Wednesday's agenda		
	BRIEFING: Liquefied Natural Gas	Alan Mayberry Ken Lee
5:00 p.m. - Wrap-up and Adjourn:		Jeff Wiese