

1996 MOU: DOT and Gas Research Institute

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF TRANSPORTATION AND GAS RESEARCH INSTITUTE

Background and Objectives.

Fifty to sixty million Americans depend on the safe, reliable and efficient transportation of natural gas to cook, heat their homes and run their businesses. The Department of Transportation (DOT) and the gas community recognize that cooperation and partnerships for research, development, and commercialization ("RD&C") are needed to ensure the continued safety and integrity of the pipeline transportation network. DOT and Gas Research Institute ("GRI") are two of the primary natural gas RD&C funding organizations in the United States focused on pipeline safety. Improved communication between the two organizations will provide better opportunity for government to identify concerns that may be addressed in planned or ongoing industry activities and for industry to offer technical information and receive timely reports on the progress of government studies. Economies can also be achieved in more active data exchange and collaborative planning.

For many years, GRI and the Office of Pipeline Safety (OPS) of DOT's Research and Special Programs Administration (RSPA) have undertaken and shared information on various RD&C efforts, on a project-by-project basis. As the use of natural gas grows, and competition for research resources increases, both DOT and GRI share a strong interest in increased communication and streamlined cooperation and shared data to identify problems or trends in and solutions for pipeline safety. The objective of this Memorandum of Understanding ("MOU") is to define and formalize a structure to exchange information and coordinate DOT's and GRI's gas RD&C programs.

Joint Committees.

Currently, DOT and GRI each have detailed RD&C planning processes. This MOU will establish a Joint Executive RD&C Committee ("Executive Committee") composed of senior officials from DOT and GRI. Representatives of DOT will include the RSPA Administrator, the OPS Associate Administrator, and other officials as may be determined by the RSPA Administrator. Representatives of GRI will include the President and Chief Executive Officer and other GRI senior executives and officers as determined by the GRI President. The Executive Committee will meet annually to share information concerning the RD&C needs of the gas industry and gas consumers, review the status of ongoing cooperative agreements and related projects, and discuss the progress of new or potential cofunded projects. The Executive Committee will agree on a commitment of resources to cofund RD&C projects.

Technology Coordination Committee(s) ("TCCs") shall be established to plan and oversee jointly funded RD&C projects. The TCCs will consist of the appropriate experts from DOT and GRI responsible for the management of those selected technology programs. The TCCs will meet semiannually or at such times as deemed necessary to fully address the issues at hand. The Executive

Committee shall have authority to establish or abolish any of the TCCs it deems appropriate. It is anticipated that some of the projects the TCCs will first address include: Data Analysis, Risk Management, Nondestructive Evaluation (NDE), Damage Prevention and Mapping Standards.

RD&C Program Coordination.

In meetings scheduled as needed, the TCCs will address the ongoing research programs of the two organizations, including the joint quality action teams. The TCCs will regularly review results and insights gained from programs and identify future plans and potential joint RD&C projects. The TCCs will inform the Executive Committee about developing gas RD&C issues and projects at its annual meeting or such other times as the Executive Committee identifies. This discussion will include information concerning potential benefits and barriers associated with projects, strategies for prioritization, and issues relating to funding and cost-share requirements. While the TCCs are composed of the appropriate DOT and GRI experts responsible for the management of the technology area for their respective organizations, the TCCs have no authority to contract, commit funds, or alter the policy of either DOT or GRI. DOT and GRI program/project managers are independently responsible for subsequent discussions regarding the decision to proceed with any specific project. Specific management responsibilities, intellectual property rights and other contractual issues would be assigned through individual project documents.

Existing Authorities and Authentication.

GRI understands that nothing in this MOU alters the statutory authorities of DOT or the GRI charter and its FERC-approved RD&C plan. Nothing in this agreement is intended to interfere in the existing abilities of the two organizations to coordinate their research programs or to enter into joint projects. This MOU will incorporate the efforts for potential cooperative funding for NDE and other technologies as provided for the reauthorization of the pipeline safety program. This MOU is intended to facilitate the cooperative efforts of both organizations for the mutual advancement of programs relating to gas RD&C. This document becomes effective on the date of signature by both the Deputy Secretary of Transportation and the President and Chief Executive Officer of Gas Research Institute. This MOU will remain in effect for a period of 5 years or until such time as it is modified by mutual consent or terminated by either party with ninety (90) days advance notice.

Mortimer L. Downey, Deputy Secretary, US Department of Transportation, June 20, 1996

Stephen D. Ban, President & Chief Executive Officer, Gas Research Institute, June 20, 1996