

109TH CONGRESS  
2D SESSION

# H. R. 5782

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IN THE SENATE OF THE UNITED STATES

DECEMBER 6, 2006

Received

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## AN ACT

To amend title 49, United States Code, to provide for enhanced safety and environmental protection in pipeline transportation, to provide for enhanced reliability in the transportation of the Nation's energy products by pipeline, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49,**  
 2 **UNITED STATES CODE; TABLE OF CONTENTS.**

3 (a) **SHORT TITLE.**—This Act may be cited as the  
 4 “Pipeline Inspection, Protection, Enforcement, and Safety  
 5 Act of 2006”.

6 (b) **AMENDMENT OF TITLE 49, UNITED STATES**  
 7 **CODE.**—Except as otherwise expressly provided, whenever  
 8 in this Act an amendment or repeal is expressed in terms  
 9 of an amendment to, or a repeal of, a section or other  
 10 provision, the reference shall be considered to be made to  
 11 a section or other provision of title 49, United States  
 12 Code.

13 (c) **TABLE OF CONTENTS.**—

- Sec. 1. Short title; amendment of title 49, United States Code; table of contents.
- Sec. 2. Pipeline safety and damage prevention.
- Sec. 3. Public education and awareness.
- Sec. 4. Low-stress pipelines.
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- Sec. 9. Distribution integrity management program rulemaking deadline.
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- Sec. 22. Corrosion control regulations.
- Sec. 23. Inspector General report.
- Sec. 24. Technical assistance program.
- Sec. 25. Natural gas pipelines.
- Sec. 26. Corrosion technology.

1 **SEC. 2. PIPELINE SAFETY AND DAMAGE PREVENTION.**

2 (a) ONE CALL CIVIL ENFORCEMENT.—

3 (1) PROHIBITIONS.—Section 60114 is amended  
4 by adding at the end the following:

5 “(d) PROHIBITION APPLICABLE TO EXCAVATORS.—

6 A person who engages in demolition, excavation, tun-  
7 neling, or construction—

8 “(1) may not engage in a demolition, exca-  
9 vation, tunneling, or construction activity in a State  
10 that has adopted a one-call notification system with-  
11 out first using that system to establish the location  
12 of underground facilities in the demolition, exca-  
13 vation, tunneling, or construction area;

14 “(2) may not engage in such demolition, exca-  
15 vation, tunneling, or construction activity in dis-  
16 regard of location information or markings estab-  
17 lished by a pipeline facility operator pursuant to  
18 subsection (b); and

19 “(3) and who causes damage to a pipeline facil-  
20 ity that may endanger life or cause serious bodily  
21 harm or damage to property—

22 “(A) may not fail to promptly report the  
23 damage to the owner or operator of the facility;  
24 and

25 “(B) if the damage results in the escape of  
26 any flammable, toxic, or corrosive gas or liquid,

1           may not fail to promptly report to other appro-  
2           priate authorities by calling the 911 emergency  
3           telephone number.

4           “(e) PROHIBITION APPLICABLE TO UNDERGROUND  
5 PIPELINE FACILITY OWNERS AND OPERATORS.—Any  
6 owner or operator of a pipeline facility who fails to respond  
7 to a location request in order to prevent damage to the  
8 pipeline facility or who fails to take reasonable steps, in  
9 response to such a request, to ensure accurate marking  
10 of the location of the pipeline facility in order to prevent  
11 damage to the pipeline facility shall be subject to a civil  
12 action under section 60120 or assessment of a civil penalty  
13 under section 60122.

14          “(f) LIMITATION.—The Secretary may not conduct  
15 an enforcement proceeding under subsection (d) for a vio-  
16 lation within the boundaries of a State that has the au-  
17 thority to impose penalties described in section  
18 60134(b)(7) against persons who violate that State’s dam-  
19 age prevention laws, unless the Secretary has determined  
20 that the State’s enforcement is inadequate to protect safe-  
21 ty, consistent with this chapter, and until the Secretary  
22 issues, through a rulemaking proceeding, the procedures  
23 for determining inadequate State enforcement of pen-  
24 alties.”.

1           (2) CIVIL PENALTY.—Section 60122(a)(1) is  
 2           amended by striking “60114(b)” and inserting  
 3           “60114(b), 60114(d),”.

4           (b) STATE DAMAGE PREVENTION PROGRAMS.—

5           (1) CONTENTS OF CERTIFICATIONS.—Section  
 6           60105(b)(4) is amended to read as follows:

7           “(4) is encouraging and promoting the estab-  
 8           lishment of a program designed to prevent damage  
 9           by demolition, excavation, tunneling, or construction  
 10          activity to the pipeline facilities to which the certifi-  
 11          cation applies that subjects persons who violate the  
 12          applicable requirements of that program to civil pen-  
 13          alties and other enforcement actions that are sub-  
 14          stantially the same as are provided under this chap-  
 15          ter, and addresses the elements in section  
 16          60134(b);”.

17          (2) IN GENERAL.—Chapter 601 is amended by  
 18          adding at the end the following:

19       **“§ 60134. State damage prevention programs**

20          “(a) IN GENERAL.—The Secretary may make a grant  
 21          to a State authority (including a municipality with respect  
 22          to intrastate gas pipeline transportation) to assist in im-  
 23          proving the overall quality and effectiveness of a damage  
 24          prevention program of the State authority under sub-  
 25          section (e) if the State authority—

1 “(1) has in effect an annual certification under  
2 section 60105 or an agreement under section 60106;  
3 and

4 “(2)(A) has in effect an effective damage pre-  
5 vention program that meets the requirements of sub-  
6 section (b); or

7 “(B) demonstrates that it has made substantial  
8 progress toward establishing such a program, and  
9 that such program will meet the requirements of  
10 subsection (b).

11 “(b) DAMAGE PREVENTION PROGRAM ELEMENTS.—  
12 An effective damage prevention program includes the fol-  
13 lowing elements:

14 “(1) Participation by operators, excavators, and  
15 other stakeholders in the development and imple-  
16 mentation of methods for establishing and maintain-  
17 ing effective communications between stakeholders  
18 from receipt of an excavation notification until suc-  
19 cessful completion of the excavation, as appropriate.

20 “(2) A process for fostering and ensuring the  
21 support and partnership of stakeholders, including  
22 excavators, operators, locators, designers, and local  
23 government in all phases of the program.

24 “(3) A process for reviewing the adequacy of a  
25 pipeline operator’s internal performance measures

1        regarding persons performing locating services and  
2        quality assurance programs.

3            “(4) Participation by operators, excavators, and  
4        other stakeholders in the development and imple-  
5        mentation of effective employee training programs to  
6        ensure that operators, the one-call center, the en-  
7        forcing agency, and the excavators have partnered to  
8        design and implement training for the employees of  
9        operators, excavators, and locators.

10           “(5) A process for fostering and ensuring active  
11        participation by all stakeholders in public education  
12        for damage prevention activities.

13           “(6) A process for resolving disputes that de-  
14        fines the State authority’s role as a partner and  
15        facilitator to resolve issues.

16           “(7) Enforcement of State damage prevention  
17        laws and regulations for all aspects of the damage  
18        prevention process, including public education, and  
19        the use of civil penalties for violations assessable by  
20        the appropriate State authority.

21           “(8) A process for fostering and promoting the  
22        use, by all appropriate stakeholders, of improving  
23        technologies that may enhance communications, un-  
24        derground pipeline locating capability, and gathering

1       and analyzing information about the accuracy and  
2       effectiveness of locating programs.

3               “(9) A process for review and analysis of the ef-  
4       fectiveness of each program element, including a  
5       means for implementing improvements identified by  
6       such program reviews.

7       “(c) FACTORS TO CONSIDER.—In making grants  
8       under this section, the Secretary shall take into consider-  
9       ation the commitment of each State to ensuring the effec-  
10      tiveness of its damage prevention program, including legis-  
11      lative and regulatory actions taken by the State.

12       “(d) APPLICATION.—If a State authority files an ap-  
13      plication for a grant under this section not later than Sep-  
14      tember 30 of a calendar year and demonstrates that the  
15      Governor (or chief executive) of the State has designated  
16      it as the appropriate State authority to receive the grant,  
17      the Secretary shall review the State’s damage prevention  
18      program to determine its effectiveness.

19       “(e) USE OF FUNDS.—A grant under this section to  
20      a State authority may only be used to pay the cost of the  
21      personnel, equipment, and activities that the State author-  
22      ity reasonably requires for the calendar year covered by  
23      the grant to develop or carry out its damage prevention  
24      program in accordance with subsection (b).



1       “(f) NONAPPLICABILITY OF LIMITATION.—A grant  
 2 made under this section is not subject to the section  
 3 60107(a) limitation on the maximum percentage of funds  
 4 to be paid by the Secretary.

5       “(g) LIMITATION ON USE OF FUNDS.—Funds pro-  
 6 vided to carry out this section may not be used for lob-  
 7 bying or in direct support of litigation.

8       “(h) DAMAGE PREVENTION PROCESS DEFINED.—In  
 9 this section, the term ‘damage prevention process’ means  
 10 a process that incorporates the principles described in sec-  
 11 tions 60114(b), 60114(d), and 60114(e).”.

12               (3) CLERICAL AMENDMENT.—The analysis for  
 13 chapter 601 is amended by adding at the end the  
 14 following:

“60134. State damage prevention programs.”.

15       (c) STATE PIPELINE SAFETY GRANTS.—Section  
 16 60107(a) is amended by striking “not more than 50 per-  
 17 cent” and inserting “not more than 80 percent”.

18       (d) MAINTENANCE OF EFFORT.—Section 60107(b) is  
 19 amended by striking “spent—” and all that follows and  
 20 inserting “spent for gas and hazardous liquid safety pro-  
 21 grams for the 3 fiscal years prior to the fiscal year in  
 22 which the Secretary makes the payment, except when the  
 23 Secretary waives this requirement.”.

24       (e) DAMAGE PREVENTION TECHNOLOGY DEVELOP-  
 25 MENT.—Section 60114 (as amended by subsection (a)(1)

1 of this section) is further amended by adding at the end  
2 the following:

3 “(g) TECHNOLOGY DEVELOPMENT GRANTS.—The  
4 Secretary may make grants to any organization or entity  
5 (not including for-profit entities) for the development of  
6 technologies that will facilitate the prevention of pipeline  
7 damage caused by demolition, excavation, tunneling, or  
8 construction activities, with emphasis on wireless and  
9 global positioning technologies having potential for use in  
10 connection with notification systems and underground fa-  
11 cility locating and marking services. Funds provided under  
12 this subsection may not be used for lobbying or in direct  
13 support of litigation. The Secretary may also support such  
14 technology development through cooperative agreements  
15 with trade associations, academic institutions, and other  
16 organizations.”.

17 **SEC. 3. PUBLIC EDUCATION AND AWARENESS.**

18 (a) IN GENERAL.—Chapter 61 is amended by adding  
19 at the end the following:

20 **“§ 6109. Public education and awareness**

21 “(a) GRANT AUTHORITY.—The Secretary shall make  
22 a grant to an appropriate entity for promoting public edu-  
23 cation and awareness with respect to the 811 national ex-  
24 cavation damage prevention phone number.

1       “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 is authorized to be appropriated to the Secretary  
 3 \$1,000,000 for the period beginning October 1, 2006, and  
 4 ending September 30, 2008, to carry out this section.”.

5       (b) CLERICAL AMENDMENT.—The analysis for chap-  
 6 ter 61 is amended by adding at the end the following:

“6109. Public education and awareness.”.

7 **SEC. 4. LOW-STRESS PIPELINES.**

8       Section 60102(k) is amended to read as follows:

9       “(k) LOW-STRESS HAZARDOUS LIQUID PIPE-  
 10 LINES.—

11           “(1) MINIMUM STANDARDS.—Not later than  
 12 December 31, 2007, the Secretary shall issue regula-  
 13 tions subjecting low-stress hazardous liquid pipelines  
 14 to the same standards and regulations as other haz-  
 15 ardous liquid pipelines, except as provided in para-  
 16 graph (3). The implementation of the applicable  
 17 standards and regulatory requirements may be  
 18 phased in. The regulations issued under this para-  
 19 graph shall not apply to gathering lines.

20           “(2) GENERAL PROHIBITION AGAINST LOW IN-  
 21 TERNAL STRESS EXCEPTION.—Except as provided in  
 22 paragraph (3), the Secretary may not provide an ex-  
 23 ception to the requirements of this chapter for a  
 24 hazardous liquid pipeline because the pipeline oper-  
 25 ates at low internal stress.

1           “(3) LIMITED EXCEPTIONS.—The Secretary  
2           shall provide or continue in force exceptions to this  
3           subsection for low-stress hazardous liquid pipelines  
4           that—

5                   “(A) are subject to safety regulations of  
6                   the United States Coast Guard; or

7                   “(B) serve refining, manufacturing, or  
8                   truck, rail, or vessel terminal facilities if the  
9                   pipeline is less than 1 mile long (measured out-  
10                  side the facility grounds) and does not cross an  
11                  offshore area or a waterway currently used for  
12                  commercial navigation,

13           until regulations issued under paragraph (1) become  
14           effective. After such regulations become effective, the  
15           Secretary may retain or remove those exceptions as  
16           appropriate.

17           “(4) RELATIONSHIP TO OTHER LAWS.—Noth-  
18           ing in this subsection shall be construed to prohibit  
19           or otherwise affect the applicability of any other  
20           statutory or regulatory exemption to any hazardous  
21           liquid pipeline.

22           “(5) DEFINITION.—For purposes of this sub-  
23           section, the term ‘low-stress hazardous liquid pipe-  
24           line’ means a hazardous liquid pipeline that is oper-  
25           ated in its entirety at a stress level of 20 percent or

1 less of the specified minimum yield strength of the  
2 line pipe.

3 “(6) EFFECTIVE DATE.—The requirements of  
4 this subsection shall not take effect as to low-stress  
5 hazardous liquid pipeline operators before the effective date of the rules promulgated by the Secretary  
6 under this subsection.”.

8 **SEC. 5. TECHNICAL ASSISTANCE GRANTS.**

9 Section 60130 is amended—

10 (1) in subsection (a)(1) by striking “The Secretary shall establish competitive” and insert “No grants may be awarded under section 60114(g) until the Secretary has established competitive”;

14 (2) in subsection (a) by redesignating paragraph (2) as paragraph (4);

16 (3) in subsection (a) by inserting after paragraph (1) the following:

18 “(2) DEMONSTRATION GRANTS.—At least the  
19 first 3 grants awarded under this section shall be  
20 demonstration grants for the purpose of demonstrating and evaluating the utility of grants under  
21 this section. Each such demonstration grant shall  
22 not exceed \$25,000.  
23

1 “(3) DISSEMINATION OF TECHNICAL FIND-  
2 INGS.—Each recipient of a grant under this section  
3 shall ensure that—

4 “(A) the technical findings made possible  
5 by the grants are made available to the relevant  
6 operators; and

7 “(B) open communication between the  
8 grant recipients, local operators, local commu-  
9 nities, and other interested parties is encour-  
10 aged.”; and

11 (4) in subsection (d) by striking “2006” and in-  
12 serting “2010”.

13 **SEC. 6. ENFORCEMENT TRANSPARENCY.**

14 (a) IN GENERAL.—Chapter 601 (as amended by sec-  
15 tion 2(b) of this Act) is further amended by adding at  
16 the end the following:

17 **“§ 60135. Enforcement transparency**

18 “(a) IN GENERAL.—Not later than December 31,  
19 2007, the Secretary shall—

20 “(1) provide a monthly updated summary to  
21 the public of all gas and hazardous liquid pipeline  
22 enforcement actions taken by the Secretary or the  
23 Pipeline and Hazardous Materials Safety Adminis-  
24 tration, from the time a notice commencing an en-

1 enforcement action is issued until the enforcement ac-  
2 tion is final;

3 “(2) include in each such summary identifica-  
4 tion of the operator involved in the enforcement ac-  
5 tivity, the type of alleged violation, the penalty or  
6 penalties proposed, any changes in case status since  
7 the previous summary, the final assessment amount  
8 of each penalty, and the reasons for a reduction in  
9 the proposed penalty, if appropriate; and

10 “(3) provide a mechanism by which a pipeline  
11 operator named in an enforcement action may make  
12 information, explanations, or documents it believes  
13 are responsive to the enforcement action available to  
14 the public.

15 “(b) ELECTRONIC AVAILABILITY.—Each summary  
16 under this section shall be made available to the public  
17 by electronic means.

18 “(c) RELATIONSHIP TO FOIA.—Nothing in this sec-  
19 tion shall be construed to require disclosure of information  
20 or records that are exempt from disclosure under section  
21 552 of title 5.”.

22 (b) CLERICAL AMENDMENT.—The analysis for chap-  
23 ter 601 (as amended by section 2(b) of this Act) is further  
24 amended by adding at the end:

“60135. Enforcement transparency.”.

1 **SEC. 7. DIRECT LINE SALES.**

2 Section 60101(a) is amended—

3 (1) by striking paragraph (6) and inserting the  
4 following:

5 “(6) ‘interstate gas pipeline facility’ means a  
6 gas pipeline facility—

7 “(A) used to transport gas; and

8 “(B) subject to the jurisdiction of the  
9 Commission under the Natural Gas Act (15  
10 U.S.C. 717 et seq.);” and

11 (2) by striking paragraph (9) and inserting the  
12 following:

13 “(9) ‘intrastate gas pipeline facility’ means a  
14 gas pipeline facility and transportation of gas within  
15 a State not subject to the jurisdiction of the Com-  
16 mission under the Natural Gas Act (15 U.S.C. 717  
17 et seq.);”.

18 **SEC. 8. PETROLEUM TRANSPORTATION CAPACITY AND**  
19 **REGULATORY ADEQUACY STUDY.**

20 (a) IN GENERAL.—Chapter 601 (as amended by sec-  
21 tions 2(b) and 6 of this Act) is further amended by adding  
22 at the end the following:

23 **“§ 60136. Petroleum product transportation capacity**  
24 **study**

25 “(a) IN GENERAL.—The Secretaries of Transpor-  
26 tation and Energy shall conduct periodic analyses of the



1 domestic transport of petroleum products by pipeline.  
2 Such analyses should identify areas of the United States  
3 where unplanned loss of individual pipeline facilities may  
4 cause shortages of petroleum products or price disruptions  
5 and where shortages of pipeline capacity and reliability  
6 concerns may have or are anticipated to contribute to  
7 shortages of petroleum products or price disruptions.  
8 Upon identifying such areas, the Secretaries may deter-  
9 mine if the current level of regulation is sufficient to mini-  
10 mize the potential for unplanned losses of pipeline capac-  
11 ity.

12 “(b) CONSULTATION.—In preparing any analysis  
13 under this section, the Secretaries may consult with the  
14 heads of other government agencies and public- and pri-  
15 vate-sector experts in pipeline and other forms of petro-  
16 leum product transportation, energy consumption, pipeline  
17 capacity, population, and economic development.

18 “(c) REPORT TO CONGRESS.—Not later than June  
19 1, 2008, the Secretaries shall submit to the Committee  
20 on Energy and Commerce and the Committee on Trans-  
21 portation and Infrastructure of the House of Representa-  
22 tives and the Committee on Commerce, Science, and  
23 Transportation and the Committee on Energy and Nat-  
24 ural Resources of the Senate a report setting forth their

1 recommendations to reduce the likelihood of the shortages  
 2 and price disruptions referred to in subsection (a).

3 “(d) ADDITIONAL REPORTS.—The Secretaries shall  
 4 submit additional reports to the congressional committees  
 5 referred to in subsection (c) containing the results of any  
 6 subsequent analyses performed under subsection (a) and  
 7 any additional recommendations, as appropriate.

8 “(e) PETROLEUM PRODUCT DEFINED.—In this sec-  
 9 tion, the term ‘petroleum product’ means oil of any kind  
 10 or in any form, gasoline, diesel fuel, aviation fuel, fuel oil,  
 11 kerosene, any product obtained from refining or proc-  
 12 essing of crude oil, liquefied petroleum gases, natural gas  
 13 liquids, petrochemical feedstocks, condensate, waste or  
 14 refuse mixtures containing any of such oil products, and  
 15 any other liquid hydrocarbon compounds.”.

16 (b) CLERICAL AMENDMENT.—The analysis for chap-  
 17 ter 601 (as amended by sections 2(b) and 6 of this Act)  
 18 is further amended by adding at the end the following:

“60136. Petroleum product transportation capacity study.”.

19 **SEC. 9. DISTRIBUTION INTEGRITY MANAGEMENT PRO-**  
 20 **GRAM RULEMAKING DEADLINE.**

21 Section 60109 is amended by adding at the end the  
 22 following:

23 “(e) DISTRIBUTION INTEGRITY MANAGEMENT PRO-  
 24 GRAMS.—

1           “(1) MINIMUM STANDARDS.—Not later than  
2       December 31, 2007, the Secretary shall prescribe  
3       minimum standards for integrity management pro-  
4       grams for distribution pipelines.

5           “(2) ADDITIONAL AUTHORITY OF SEC-  
6       RETARY.—In carrying out this subsection, the Sec-  
7       retary may require operators of distribution pipe-  
8       lines to continually identify and assess risks on their  
9       distribution lines, to remediate conditions that  
10      present a potential threat to line integrity, and to  
11      monitor program effectiveness.

12           “(3) EXCESS FLOW VALVES.—

13           “(A) IN GENERAL.—The minimum stand-  
14      ards shall include a requirement for an operator  
15      of a natural gas distribution system to install  
16      an excess flow valve on each single family resi-  
17      dence service line connected to such system if—

18                   “(i) the service line is installed or en-  
19                  tirely replaced after June 1, 2008;

20                   “(ii) the service line operates continu-  
21                  ously throughout the year at a pressure  
22                  not less than 10 pounds per square inch  
23                  gauge;

24                   “(iii) the service line is not connected  
25                  to a gas stream with respect to which the

operator has had prior experience with contaminants the presence of which could interfere with the operation of an excess flow valve;

“(iv) the installation of an excess flow valve on the service line is not likely to cause loss of service to the residence or interfere with necessary operation or maintenance activities, such as purging liquids from the service line; and

“(v) an excess flow valve meeting performance standards developed under section 60110(e) of title 49, United States Code, is commercially available to the operator, as determined by the Secretary.

“(B) REPORTS.—Operators of natural gas distribution systems shall report annually to the Secretary on the number of excess flow valves installed on their systems under subparagraph (A).

“(4) APPLICABILITY.—The Secretary shall determine which distribution pipelines will be subject to the minimum standards.

“(5) DEVELOPMENT AND IMPLEMENTATION.—  
Each operator of a distribution pipeline that the

1 Secretary determines is subject to the minimum  
 2 standards prescribed by the Secretary under this  
 3 subsection shall develop and implement an integrity  
 4 management program in accordance with those  
 5 standards.

6 “(6) SAVINGS CLAUSE.—Subject to section  
 7 60104(c), a State authority having a current certifi-  
 8 cation under section 60105 may adopt or continue  
 9 in force additional integrity management require-  
 10 ments, including additional requirements for instal-  
 11 lation of excess flow valves, for gas distribution pipe-  
 12 lines within the boundaries of that State.”.

13 **SEC. 10. EMERGENCY WAIVERS.**

14 Section 60118(c) is amended to read as follows:

15 “(c) WAIVERS BY SECRETARY.—

16 “(1) NONEMERGENCY WAIVERS.—

17 “(A) IN GENERAL.—On application of an  
 18 owner or operator of a pipeline facility, the Sec-  
 19 retary by order may waive compliance with any  
 20 part of an applicable standard prescribed under  
 21 this chapter with respect to such facility on  
 22 terms the Secretary considers appropriate if the  
 23 Secretary determines that the waiver is not in-  
 24 consistent with pipeline safety.

1           “(B) HEARING.—The Secretary may act  
2           on a waiver under this paragraph only after no-  
3           tice and an opportunity for a hearing.

4           “(2) EMERGENCY WAIVERS.—

5           “(A) IN GENERAL.—The Secretary by  
6           order may waive compliance with any part of an  
7           applicable standard prescribed under this chap-  
8           ter on terms the Secretary considers appro-  
9           priate without prior notice and comment if the  
10          Secretary determines that—

11                  “(i) it is in the public interest to  
12                  grant the waiver;

13                  “(ii) the waiver is not inconsistent  
14                  with pipeline safety; and

15                  “(iii) the waiver is necessary to ad-  
16                  dress an actual or impending emergency  
17                  involving pipeline transportation, including  
18                  an emergency caused by a natural or man-  
19                  made disaster.

20           “(B) PERIOD OF WAIVER.—A waiver under  
21           this paragraph may be issued for a period of  
22           not more than 60 days and may be renewed  
23           upon application to the Secretary only after no-  
24           tice and an opportunity for a hearing on the  
25           waiver. The Secretary shall immediately revoke

1 the waiver if continuation of the waiver would  
2 not be consistent with the goals and objectives  
3 of this chapter.

4 “(3) STATEMENT OF REASONS.—The Secretary  
5 shall state in an order issued under this subsection  
6 the reasons for granting the waiver.”.

7 **SEC. 11. RESTORATION OF OPERATIONS.**

8 Section 60117 is amended by adding at the end the  
9 following:

10 “(m) RESTORATION OF OPERATIONS.—

11 “(1) IN GENERAL.—The Secretary may advise,  
12 assist, and cooperate with the heads of other depart-  
13 ments, agencies, and instrumentalities of the United  
14 States Government, the States, and public and pri-  
15 vate agencies and persons to facilitate the restora-  
16 tion of pipeline operations that have been or are an-  
17 ticipated to become disrupted by manmade or nat-  
18 ural disasters.

19 “(2) SAVINGS CLAUSE.—Nothing in this section  
20 alters or amends the authorities and responsibilities  
21 of any department, agency, or instrumentality of the  
22 United States Government, other than the Depart-  
23 ment of Transportation.”.

1 **SEC. 12. PIPELINE CONTROL ROOM MANAGEMENT.**

2 (a) IN GENERAL.—Chapter 601 (as amended by sec-  
3 tions 2(b), 6, and 8 of this Act) is further amended by  
4 adding at the end the following:

5 **“§ 60137. Pipeline control room management**

6 “(a) IN GENERAL.—Not later than June 1, 2008, the  
7 Secretary shall issue regulations requiring each operator  
8 of a gas or hazardous liquid pipeline to develop, imple-  
9 ment, and submit to the Secretary or, in the case of an  
10 operator of an intrastate pipeline located within the  
11 boundaries of a State that has in effect an annual certifi-  
12 cation under section 60105, to the head of the appropriate  
13 State authority, a human factors management plan de-  
14 signed to reduce risks associated with human factors, in-  
15 cluding fatigue, in each control center for the pipeline.  
16 Each plan must include, among the measures to reduce  
17 such risks, a maximum limit on the hours of service estab-  
18 lished by the operator for individuals employed as control-  
19 lers in a control center for the pipeline.

20 “(b) REVIEW AND APPROVAL OF THE PLAN.—The  
21 Secretary or, in the case of an operator of an intrastate  
22 pipeline located within the boundaries of a State that has  
23 in effect an annual certification under section 60105, the  
24 head of the appropriate State authority, shall review and  
25 approve each plan submitted to the Secretary or the head  
26 of such authority under subsection (a). The Secretary and



1 the head of such authority may not approve a plan that  
2 does not include a maximum limit on the hours of service  
3 established by the operator of the pipeline for individuals  
4 employed as controllers in a control center for the pipeline.

5 “(c) ENFORCEMENT OF THE PLAN.—If the Secretary  
6 or the head of the appropriate State authority determines  
7 that an operator’s plan submitted to the Secretary or the  
8 head of such authority under subsection (a), or implemen-  
9 tation of such a plan, does not comply with the regulations  
10 issued under this section or is inadequate for the safe op-  
11 eration of a pipeline, the Secretary or the head of such  
12 authority may take action consistent with this chapter and  
13 enforce the requirements of such regulations.

14 “(d) COMPLIANCE WITH THE PLAN.—Each operator  
15 of a gas or hazardous liquid pipeline shall document com-  
16 pliance with the plan submitted by the operator under sub-  
17 section (a) and the reasons for any deviation from compli-  
18 ance with such plan. The Secretary or the head of the  
19 appropriate State authority, as the case may be, shall re-  
20 view the reasonableness of any such deviation in consid-  
21 ering whether to take enforcement action or discontinue  
22 approval of the operator’s plan under subsection (b).

23 “(e) DEVIATION REPORTING REQUIREMENTS.—In  
24 issuing regulations under subsection (a), the Secretary  
25 shall develop and include in such regulations requirements

1 for an operator of a gas or hazardous liquid pipeline to  
 2 report deviations from compliance with the plan submitted  
 3 by the operator under subsection (a).”.

4 (b) CLERICAL AMENDMENT.—The analysis for chap-  
 5 ter 601 (as amended by sections 2(b), 6, and 8 of this  
 6 Act) is further amended by adding at the end the fol-  
 7 lowing:

“60137. Pipeline control room management.”.

8 **SEC. 13. SAFETY ORDERS.**

9 Section 60117(l) is amended to read as follows:

10 “(l) SAFETY ORDERS.—

11 “(1) IN GENERAL.—Not later than December  
 12 31, 2007, the Secretary shall issue regulations pro-  
 13 viding that, after notice and opportunity for a hear-  
 14 ing, if the Secretary determines that a pipeline facil-  
 15 ity has a condition that poses a pipeline integrity  
 16 risk to public safety, property, or the environment,  
 17 the Secretary may order the operator of the facility  
 18 to take necessary corrective action, including phys-  
 19 ical inspection, testing, repair, or other appropriate  
 20 action, to remedy that condition.

21 “(2) CONSIDERATIONS.—In making a deter-  
 22 mination under paragraph (1), the Secretary, if rel-  
 23 evant and pursuant to the regulations issued under  
 24 paragraph (1), shall consider—

1           “(A) the considerations specified in para-  
2           graphs (1) through (6) of section 60112(b);

3           “(B) the likelihood that the condition will  
4           impair the serviceability of a pipeline;

5           “(C) the likelihood that the condition will  
6           worsen over time; and

7           “(D) the likelihood that the condition is  
8           present or could develop on other areas of the  
9           pipeline.”.

10 **SEC. 14. INTEGRITY PROGRAM ENFORCEMENT.**

11       Section 60109(c)(9)(A)(iii) is amended to read as fol-  
12       lows:

13                   “(iii) INADEQUATE PROGRAMS.—If  
14           the Secretary determines that a risk anal-  
15           ysis or integrity management program does  
16           not comply with the requirements of this  
17           subsection or regulations issued as de-  
18           scribed in paragraph (2), has not been ade-  
19           quately implemented, or is inadequate for  
20           the safe operation of a pipeline facility, the  
21           Secretary may conduct proceedings under  
22           this chapter.”.

23 **SEC. 15. INCIDENT REPORTING.**

24       Not later than December 31, 2007, the Secretary of  
25       Transportation shall review the incident reporting require-

1 ments for operators of natural gas pipelines and modify  
 2 the reporting criteria as appropriate to ensure that the  
 3 incident data gathered accurately reflects incident trends  
 4 over time, taking into consideration the recommendations  
 5 from the Comptroller General in GAO report 06–946.

6 **SEC. 16. SENIOR EXECUTIVE SIGNATURE OF INTEGRITY**  
 7 **MANAGEMENT PROGRAM PERFORMANCE RE-**  
 8 **PORTS.**

9 Section 60109 (as amended by section 9 of this Act)  
 10 is further amended by adding at the end the following:

11 “(f) CERTIFICATION OF PIPELINE INTEGRITY MAN-  
 12 AGEMENT PROGRAM PERFORMANCE.—The Secretary  
 13 shall establish procedures requiring certification of annual  
 14 and semiannual pipeline integrity management program  
 15 performance reports by a senior executive officer of the  
 16 company operating a pipeline subject to this chapter. The  
 17 procedures shall require a signed statement, which may  
 18 be effected electronically in accordance with the provisions  
 19 of the Electronic Signatures in Global and National Com-  
 20 merce Act (15 U.S.C. 7001 et seq.), certifying that—

21 “(1) the signing officer has reviewed the report;

22 and

23 “(2) to the best of such officer’s knowledge and  
 24 belief, the report is true and complete.”.

1 **SEC. 17. COST RECOVERY FOR DESIGN REVIEWS.**

2 Section 60117 (as amended by section 11 of this Act)  
3 is amended by adding at the end the following:

4 “(n) COST RECOVERY FOR DESIGN REVIEWS.—

5 “(1) IN GENERAL.—If the Secretary conducts  
6 facility design safety reviews in connection with a  
7 proposal to construct, expand, or operate a liquefied  
8 natural gas pipeline facility, the Secretary may re-  
9 quire the person requesting such reviews to pay the  
10 associated staff costs relating to such reviews in-  
11 curred by the Secretary in section 60301(d). The  
12 Secretary may assess such costs in any reasonable  
13 manner.

14 “(2) DEPOSIT.—The Secretary shall deposit all  
15 funds paid to the Secretary under this subsection  
16 into the Department of Treasury account 69–5172–  
17 0–2–407 or its successor account.

18 “(3) AUTHORIZATION OF APPROPRIATIONS.—  
19 Funds deposited pursuant to this subsection are au-  
20 thorized to be appropriated for the purposes set  
21 forth in section 60301(d).”.

22 **SEC. 18. AUTHORIZATION OF APPROPRIATIONS.**

23 (a) GAS AND HAZARDOUS LIQUID.—Section  
24 60125(a) is amended to read as follows:

25 “(a) GAS AND HAZARDOUS LIQUID.—

1           “(1) IN GENERAL.—To carry out the provisions  
2 of this chapter related to gas and hazardous liquid  
3 and section 12 of the Pipeline Safety Improvement  
4 Act of 2002 (49 U.S.C. 60101 note; Public Law  
5 107–355), the following amounts are authorized to  
6 be appropriated to the Department of Transpor-  
7 tation from fees collected under section 60301 in  
8 each respective year:

9           “(A) For fiscal year 2007, \$60,175,000 of  
10 which \$7,386,000 is for carrying out such sec-  
11 tion 12 and \$17,556,000 is for making grants.

12           “(B) For fiscal year 2008, \$67,118,000 of  
13 which \$7,586,000 is for carrying out such sec-  
14 tion 12 and \$20,614,000 is for making grants.

15           “(C) For fiscal year 2009, \$72,045,000 of  
16 which \$7,586,000 is for carrying out such sec-  
17 tion 12 and \$21,513,000 is for making grants.

18           “(D) For fiscal year 2010, \$76,580,000 of  
19 which \$7,586,000 is for carrying out subsection  
20 12 and \$22,252,000 is for making grants.

21           “(2) TRUST FUND AMOUNTS.—In addition to  
22 the amounts authorized to be appropriated by para-  
23 graph (1) the following amounts are authorized from  
24 the Oil Spill Liability Trust Fund to carry out the  
25 provisions of this chapter related to hazardous liquid

1 and section 12 of the Pipeline Safety Improvement  
2 Act of 2002 (49 U.S.C. 60101 note; Public Law  
3 107–355):

4 “(A) For fiscal year 2007, \$18,810,000 of  
5 which \$4,207,000 is for carrying out such sec-  
6 tion 12 and \$2,682,000 is for making grants.

7 “(B) For fiscal year 2008, \$19,000,000 of  
8 which \$4,207,000 is for carrying out such sec-  
9 tion 12 and \$2,682,000 is for making grants.

10 “(C) For fiscal year 2009, \$19,500,000 of  
11 which \$4,207,000 is for carrying out such sec-  
12 tion 12 and \$3,103,000 is for making grants.

13 “(D) For fiscal year 2010, \$20,000,000 of  
14 which \$4,207,000 is for carrying out such sec-  
15 tion 12 \$3,603,000 is for making grants.”.

16 (b) CONFORMING AMENDMENTS.—Section 60125 is  
17 amended—

18 (1) by striking subsections (b) and (c); and

19 (2) by redesignating subsections (d) and (e) as  
20 subsections (b) and (c), respectively.

21 (c) EMERGENCY RESPONSE GRANTS.—Section  
22 60125(b) (as redesignated by subsection (b)(2) of this sec-  
23 tion) is amended—

24 (1) in paragraph (1) by adding at the end the  
25 following: “To the extent that such grants are used

1 to train emergency responders, such training shall  
2 ensure that emergency responders have the ability to  
3 protect nearby persons, property, and the environ-  
4 ment from the effects of accidents or incidents in-  
5 volving gas or hazardous liquid pipelines, in accord-  
6 ance with existing regulations.”; and

7 (2) in paragraph (2)—

8 (A) by striking “\$6,000,000” and inserting  
9 “\$10,000,000”; and

10 (B) by striking “2003 through 2006” and  
11 inserting “2007 through 2010”.

12 (d) ONE-CALL NOTIFICATION PROGRAMS.—Section  
13 6107 is amended—

14 (1) in subsection (a) by striking “fiscal years  
15 2003 through 2006” and inserting “fiscal years  
16 2007 through 2010”; and

17 (2) in subsection (b) by striking “for fiscal  
18 years 2003 through 2006” and inserting “for fiscal  
19 years 2007 through 2010”.

20 (e) INSPECTOR STAFFING.—The Secretary shall en-  
21 sure that the number of positions for pipeline inspection  
22 and enforcement personnel at the Pipeline and Hazardous  
23 Materials Safety Administration does not fall below 100  
24 for fiscal year 2007, 111 for fiscal year 2008, 123 for fis-  
25 cal year 2009, and 135 for fiscal year 2010.



1 **SEC. 19. STANDARDS TO IMPLEMENT NTSB RECOMMENDA-**  
2 **TIONS.**

3 Not later than June 1, 2008, the Secretary of Trans-  
4 portation shall issue standards that implement the fol-  
5 lowing recommendations contained in the National Trans-  
6 portation Safety Board's report entitled "Supervisory  
7 Control and Data Acquisition (SCADA) in Liquid Pipe-  
8 lines" and adopted November 29, 2005:

9 (1) Implementation of the American Petroleum  
10 Institute's Recommended Practice 165 for the use of  
11 graphics on the supervisory control and data acquisi-  
12 tion screens.

13 (2) Implementation of a standard for pipeline  
14 companies to review and audit alarms on monitoring  
15 equipment.

16 (3) Implementation of standards for pipeline  
17 controller training that include simulator or non-  
18 computerized simulations for controller recognition  
19 of abnormal pipeline operating conditions, in par-  
20 ticular, leak events.

21 **SEC. 20. ACCIDENT REPORTING FORM.**

22 Not later than December 31, 2007, the Secretary of  
23 Transportation shall amend accident reporting forms to  
24 require operators of gas and hazardous liquid pipelines to  
25 provide data related to controller fatigue.

1 **SEC. 21. LEAK DETECTION TECHNOLOGY STUDY.**

2 Not later than December 31, 2007, the Secretary of  
3 Transportation shall submit to Congress a report on leak  
4 detection systems utilized by operators of hazardous liquid  
5 pipelines. The report shall include a discussion of the inad-  
6 equacies of current leak detection systems, including their  
7 ability to detect ruptures and small leaks that are ongoing  
8 or intermittent, and what can be done to foster develop-  
9 ment of better technologies as well as address existing  
10 technological inadequacies.

11 **SEC. 22. CORROSION CONTROL REGULATIONS.**

12 (a) REVIEW.—The Secretary of Transportation, in  
13 consultation with the Technical Hazardous Liquid Pipe-  
14 line Safety Standards Committee and other appropriate  
15 entities, shall review the internal corrosion control regula-  
16 tions set forth in subpart H of part 195 of title 49 of  
17 the Code of Federal Regulations to determine if such regu-  
18 lations are currently adequate to ensure that the pipeline  
19 facilities subject to such regulations will not present a haz-  
20 ard to public safety or the environment.

21 (b) REPORT.—Not later than December 31, 2007,  
22 the Secretary shall submit to Congress a report containing  
23 the results of the review and may modify the regulations  
24 referred to in subsection (a) if necessary and appropriate.

1 **SEC. 23. INSPECTOR GENERAL REPORT.**

2 (a) ASSESSMENT.—Not later than December 31,  
3 2007, the Inspector General of the Department of Trans-  
4 portation shall conduct an assessment of the actions the  
5 Department has taken in implementing the annex to the  
6 memorandum of understanding between the Secretary of  
7 Transportation and the Secretary of Homeland Security,  
8 dated September 28, 2004, relating to pipeline security.

9 (b) SPECIFIED DUTIES OF INSPECTOR GENERAL.—  
10 In carrying out the assessment, the Inspector General  
11 shall—

12 (1) provide a status report on implementation  
13 of the program elements outlined and developed in  
14 the annex;

15 (2) describe the roles, responsibilities, and au-  
16 thority of the Department of Transportation relating  
17 to pipeline security;

18 (3) assess the adequacy and effectiveness of the  
19 process by which the Department of Transportation  
20 has communicated and coordinated with the Depart-  
21 ment of Homeland Security on matters relating to  
22 pipeline security;

23 (4) address the adequacy of security standards  
24 for gas and oil pipelines in coordination, as nec-  
25 essary, with the Inspector General of the Depart-  
26 ment of Homeland Security; and

1           (5) consider any other issues determined to be  
2           appropriate by the Inspector General of the Depart-  
3           ment of Transportation or the Secretary of Trans-  
4           portation.

5           (c) ASSESSMENT REPORT AND PERIODIC STATUS  
6           UPDATES.—

7           (1) ASSESSMENT REPORT.—Not later than De-  
8           cember 31, 2007, the Inspector General of the De-  
9           partment of Transportation shall transmit a report  
10          on the results of the assessment, together with any  
11          recommendations (including legislative options for  
12          Congress to consider), to the Committees on Trans-  
13          portation and Infrastructure and Energy and Com-  
14          merce of the House of Representatives and the Com-  
15          mittee on Commerce, Science, and Transportation of  
16          the Senate.

17          (2) PERIODIC STATUS REPORTS.—The Inspec-  
18          tor General shall transmit periodically to the Com-  
19          mittees as referred to in paragraph (1), as necessary  
20          and appropriate, reports on matters pertaining to  
21          the implementation by the Department of Transpor-  
22          tation of any recommendations contained in the re-  
23          port transmitted pursuant to paragraph (1).

24          (d) FORMAT.—The report, or portions of the report,  
25          under subsection (c)(1) may be submitted in a classified

1 format if the Inspector General determines that such ac-  
2 tion is necessary.

3 **SEC. 24. TECHNICAL ASSISTANCE PROGRAM.**

4 (a) IN GENERAL.—The Secretary of Transportation  
5 may award, through a competitive process, grants to uni-  
6 versities with expertise in pipeline safety and security to  
7 establish jointly a collaborative program to conduct pipe-  
8 line safety and technical assistance programs.

9 (b) DUTIES.—In cooperation with the Pipeline and  
10 Hazardous Materials Safety Administration and rep-  
11 resentatives from States and boards of public utilities, the  
12 participants in the collaborative program established  
13 under subsection (a) shall be responsible for development  
14 of workforce training and technical assistance programs  
15 through statewide and regional partnerships that provide  
16 for—

17 (1) communication of national, State, and local  
18 safety information to pipeline operators;

19 (2) distribution of technical resources and  
20 training to support current and future Federal man-  
21 dates; and

22 (3) evaluation of program outcomes.

23 (c) TRAINING AND EDUCATIONAL MATERIALS.—The  
24 collaborative program established under subsection (a)

1 may include courses in recent developments, techniques,  
2 and procedures related to—

3 (1) safety and security of pipeline systems;

4 (2) incident and risk management for such sys-  
5 tems;

6 (3) integrity management for such systems;

7 (4) consequence modeling for such systems;

8 (5) detection of encroachments and monitoring  
9 of rights-of-way for such systems; and

10 (6) vulnerability assessment of such systems at  
11 both project and national levels.

12 (d) REPORTS.—

13 (1) UNIVERSITY.—Not later than March 31,  
14 2009, the universities awarded grants under sub-  
15 section (a) shall submit to the Secretary a report on  
16 the results of the collaborative program.

17 (2) SECRETARY.—Not later than October 1,  
18 2009, the Secretary shall transmit the reports sub-  
19 mitted to the Secretary under paragraph (1), along  
20 with any findings, recommendations, or legislative  
21 options for Congress to consider, to the Committees  
22 on Transportation and Infrastructure and Energy  
23 and Commerce of the House of Representatives and  
24 the Committee on Commerce, Science, and Trans-  
25 portation of the Senate.

1       (e) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated such sums as may be  
3 necessary to carry out this section for each of fiscal years  
4 2007 through 2010.

5 **SEC. 25. NATURAL GAS PIPELINES.**

6       The Secretary of Transportation shall review and  
7 comment on the Comptroller General report issued under  
8 section 14(d)(1) of the Pipeline Safety Improvement Act  
9 of 2002 (49 U.S.C. 60109 note; 116 Stat. 3005), and not  
10 later than 60 days after the date of enactment of this Act,  
11 transmit to Congress any legislative recommendations the  
12 Secretary considers necessary and appropriate to imple-  
13 ment the conclusions of that report.

14 **SEC. 26. CORROSION TECHNOLOGY.**

15       Section 12 of the Pipeline Safety Improvement Act  
16 of 2002 (49 U.S.C. 60101 note; Public Law 107–355) is  
17 amended—

18           (1) in subsection (c)(2) by striking “corro-  
19 sion,”;

20           (2) in subsection (c)—

21               (A) by striking “and” at the end of para-  
22 graph (9);

23               (B) by redesignating paragraph (10) as  
24 paragraph (11);

1 (C) by inserting after paragraph (9) the  
2 following:

3 “(10) corrosion detection and improving meth-  
4 ods, best practices, and technologies for identifying,  
5 detecting, preventing, and managing internal and ex-  
6 ternal corrosion and other safety risks; and”;

7 (D) by adding at the end the following:

8 “The results of activities carried out under paragraph (10)  
9 shall be used by the participating agencies to support de-  
10 velopment and improvement of national consensus stand-  
11 ards.”;

12 (3) by striking subsection (f) and redesignating  
13 subsections (g) and (h) as subsections (f) and (g),  
14 respectively.

Passed the House of Representatives December 6,  
2006.

Attest:

KAREN L. HAAS,

*Clerk.*