Union Calendar No. 429 H.R. 5782

109th CONGRESS 2D Session

[Report No. 109-717, Parts I and II]

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.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2006

Mr. YOUNG of Alaska (for himself and Mr. PETRI) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

December 5, 2006

Additional sponsors: Mr. BAKER, Mr. BOUSTANY, Mr. REICHERT, Mr. KUHL of New York, Mr. HAYES, Mr. BACHUS, Mr. DUNCAN, Mrs. SCHMIDT, Mr. KENNEDY of Minnesota, Mr. LATOURETTE, Mr. EHLERS, Mr. LOBIONDO, Mr. PORTER, Mr. POE, Mr. FORTUÑO, Mr. MACK, Mr. HOEKSTRA, Mr. MARIO DIAZ-BALART of Florida, Mr. MCCOTTER, Mr. OBERSTAR, Mr. DEFAZIO, and Mr. MURPHY

DECEMBER 5, 2006

Reported from the Committee on Transportation and Infrastructure with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

DECEMBER 5, 2006

Reported from the Committee on Energy and Commerce with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed [Strike out all after the enacting clause and insert the part printed in **boldface** roman]

[For text of introduced bill, see copy of bill as introduced on July 13, 2006]

A BILL

- 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,

3 SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49, 4 UNITED STATES CODE; TABLE OF CONTENTS.

- 5 (a) SHORT TITLE.—This Act may be cited as the
 6 "Pipeline Safety Improvement Act of 2006".
- 7 (b) AMENDMENT OF TITLE 49, UNITED STATES 8 CODE.—Except as otherwise expressly provided, whenever 9 in this Act an amendment or repeal is expressed in terms 10 of an amendment to, or a repeal of, a section or other provi-11 sion, the reference shall be considered to be made to a section 12 or other provision of title 49, United States 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. Distribution integrity management program rulemaking deadline.
- Sec. 4. Pipeline control room management.
- Sec. 5. Low-stress pipelines.
- Sec. 6. Authorization of appropriations.
- Sec. 7. Standards to implement NTSB recommendations.
- Sec. 8. Accident reporting form.

Sec. 9. Leak detection technology study.

Sec. 10. Petroleum transportation capacity study.

Sec. 11. Emergency waivers.

Sec. 12. Pipeline safety information grants to communities.

Sec. 13. Memorandum of understanding.

1 SEC. 2. PIPELINE SAFETY AND DAMAGE PREVENTION.

2 (a) ONE-CALL CIVIL ENFORCEMENT.—

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

5 "(d) ENFORCEMENT.—Any person who engages in excavation activity without first using an available one-call 6 notification system to establish the location of underground 7 8 pipeline facilities in the excavation area or who disregards 9 location information or markings established by an oper-10 ator of a pipeline facility, and any operator of a pipeline facility who fails to respond to a location request in order 11 to prevent damage to the pipeline or fails to take reasonable 12 steps, in response to such a request, to ensure accurate 13 14 marking of the location of the pipeline in order to prevent damage to the pipeline, shall be subject to a civil action 15 under section 60120 or assessment of a civil penalty under 16 17 section 60122.

18 "(e) LIMITATION.—The Secretary may not conduct an 19 enforcement proceeding under subsection (d) within the 20 boundaries of a State that has the authority to impose pen-21 alties described in section 60134(b)(7) against persons who 22 violate that State's damage prevention laws and is impos-23 ing such penalties.".

1	(2) Conforming Amendment.—Section
2	60122(a)(1) is amended in the first sentence by in-
3	serting ", 60114(d)," after "section 60114(b)".
4	(b) State Damage Prevention Programs.—
5	(1) CERTIFICATION.—Section 60105(b)(4) is
6	amended to read as follows:
7	"(4) has agreed to take actions toward estab-
8	lishing a program designed to prevent damage by ex-
9	cavation, demolition, tunneling, or construction activ-
10	ity to the pipeline facilities to which the certification
11	applies that subjects persons who violate the applica-
12	ble requirements of that program to civil penalties
13	and other enforcement actions that are substantially
14	the same as are provided under this chapter, and ad-
15	dresses the elements in section 60134(b);".
16	(2) REQUIREMENT.—Chapter 601 is amended by
17	adding at the end the following new section:
18	<i>"§60134. State damage prevention programs.</i>
19	"(a) IN GENERAL.—The Secretary may make a grant
20	to a State authority (including a municipality with respect
21	to intrastate gas pipeline transportation) to assist in im-
22	proving the overall quality and effectiveness of a damage
23	prevention program of the State authority under subsection

1	``(1)(A) has an annual certification in accord-
2	ance with section 60105 for such fiscal year; or
3	``(B) has an agreement with the Secretary in ac-
4	cordance with section 60106; and
5	"(2) has agreed to take actions toward estab-
6	lishing an effective damage prevention program that
7	meets the requirements of subsection (b).
8	"(b) DAMAGE PREVENTION PROGRAM ELEMENTS.—
9	An effective damage prevention program includes the fol-
10	lowing elements:
11	"(1) Participation by operators, excavators, and
12	other stakeholders in the development and implemen-
13	tation of methods for establishing and maintaining
14	effective communications between stakeholders from
15	receipt of an excavation notification until successful
16	completion of the excavation, as appropriate.
17	(2) A process for fostering and ensuring the
18	support and partnership of stakeholders, including ex-
19	cavators, operators, locators, designers, and local gov-
20	ernment in all phases of the program.
21	((3) A process for reviewing the adequacy of a
22	pipeline operator's internal performance measures re-
23	garding persons performing locating services and
24	quality assurance programs.

1	"(4) Participation by operators, excavators, and
2	other stakeholders in the development and implemen-
3	tation of effective employee training programs to en-
4	sure that operators, the one-call center, the enforcing
5	agency, and the excavators have partnered to design
6	and implement training for the employees of opera-
7	tors, excavators, and locators.
8	((5) A process for fostering and ensuring active
9	participation by all stakeholders in public education
10	for damage prevention activities.
11	"(6) A process for resolving disputes that defines
12	the State authority's role as a partner and facilitator
13	to resolve issues.
14	"(7) Enforcement of State damage prevention
15	laws and regulations for all aspects of the damage
16	prevention process, including public education, and
17	the use of civil penalties for violations assessable by
18	the appropriate State authority.
19	"(8) A process for fostering and promoting the
20	use, by all appropriate stakeholders, of improving
21	technologies that may enhance communications, un-
22	derground pipeline locating capability, and gathering
23	and analyzing information about the accuracy and
24	effectiveness of locating programs.

"(9) A process for review and analysis of the ef fectiveness of each program element, including a
 means for implementing improvements identified by
 such program reviews.

5 "(c) FACTORS TO CONSIDER.—In making grants
6 under this section, the Secretary shall take into consider7 ation the commitment of each State to ensuring the effec8 tiveness of its damage prevention program, including legis9 lative and regulatory actions taken by the State.

10 "(d) APPLICATION.—If a State authority files an ap-11 plication for a grant under this section not later than Sep-12 tember 30 of a calendar year and demonstrates that the 13 Governor (or chief executive) of the State has designated it 14 as the appropriate State authority to receive the grant, the 15 Secretary shall review the State's damage prevention pro-16 gram to determine its effectiveness.

"(e) GRANTS FOR EFFECTIVE PROGRAMS.—For a program of a State authority the Secretary determines to be
effective, the Secretary may make a grant to the State authority for the cost of the personnel, equipment, and activities the State authority reasonably requires during the next
calendar year to carry out its damage prevention program
in accordance with subsection (b).

24 "(f) NONAPPLICABILITY OF LIMITATION.—A grant 25 made under this section is not subject to the section 3 "(g) LIMITATION ON USE OF FUNDS.—Funds provided
4 under this section may not be used for lobbying or in direct
5 support of litigation.

6 "(h) FUNDING.—To carry out this section, the Sec7 retary shall make available (from amounts appropriated to
8 the Secretary under section 60125(b) for each of fiscal years
9 2008 through 2010) the following respective amounts:

10 "(1) \$1,500,000 for fiscal year 2008.

11 "(2) \$1,750,000 for fiscal year 2009.

12 "(3) \$2,000,000 for fiscal year 2010.

13 Such funds shall remain available until expended.".

14 (3) CLERICAL AMENDMENT.—The analysis for

- 15 chapter 601 is amended by adding at the end the fol-
- 16 *lowing:*

"60134. State damage prevention programs.".

17 (c) STATE PIPELINE SAFETY GRANTS.—Section
18 60107(a) is amended by striking "not more than 50 per19 cent" and inserting "not more than 80 percent".

20 SEC. 3. DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM
 21 RULEMAKING DEADLINE.

22 Section 60109 is amended by adding at the end the 23 following:

24 "(e) DISTRIBUTION INTEGRITY MANAGEMENT PRO25 GRAMS.—

 2 year after the date of enactment of this subsection 3 Secretary shall prescribe minimum standards fo 4 tegrity management programs for distribution 5 lines. 	r in-
4 tegrity management programs for distribution	
	pipe-
5 lines.	
6 "(2) Additional authority of secretar	?Y.—
7 In carrying out this subsection, the Secretary ma	y re-
8 quire operators of distribution pipelines to co	ntin-
9 ually identify and assess risks on their distrib	ution
10 lines, to remediate conditions that present a pote	ential
11 threat to line integrity, and to monitor program	effec-
12 tiveness.	
13 "(3) EXCESS FLOW VALVES.—The mini	тит
14 standards shall include criteria for requiring of	pera-
15 tors of natural gas distribution systems—	
16 "(A) to install excess flow values on se	ngle-
17 <i>family residential service lines that are inst</i>	talled
18 or replaced after the date of enactment of	² this
19 subsection on the basis of feasibility and	risk
20 analysis; and	
21 "(B) to report to the Secretary annual	ly on
22 the number of excess flow valves installe	d on
23 their systems under subparagraph (A).	

"(4) APPLICABILITY.—The Secretary shall deter mine which distribution pipelines will be subject to
 the minimum standards.

4 "(5) DEVELOPMENT AND IMPLEMENTATION.—
5 Each operator of a distribution pipeline that Sec6 retary determines is subject to the minimum stand7 ards prescribed by the Secretary under this subsection
8 shall develop and implement an integrity manage9 ment program in accordance with those standards.".

10 SEC. 4. PIPELINE CONTROL ROOM MANAGEMENT.

(a) STANDARDS.—Not later than 18 months after the
date of enactment of this Act, the Secretary of Transportation shall issue regulations establishing standards for
managing gas and hazardous liquid pipelines to reduce
risks associated with human factors, including fatigue.

(b) RISK EVALUATION.—In carrying out this section,
the Secretary may require operators of gas and hazardous
liquid pipelines to evaluate the risks associated with human
factors, including fatigue, and take measures to reduce such
risks with respect to their pipelines.

(c) APPLICABILITY.—The Secretary shall determine
which pipelines are subject to the standards issued under
this section.

24 (d) RISK MANAGEMENT.—Each operator of a pipeline
25 that the Secretary determines is subject to the standards

established by the Secretary under this section shall manage
 the controllers of the pipeline in accordance with those
 standards.

4 SEC. 5. LOW-STRESS PIPELINES.

5 Section 60102(k) is amended by striking the subsection
6 designation and heading and inserting the following:

7 "(k) Low-Stress Hazardous Liquid Pipelines.— 8 "(1) MINIMUM STANDARDS.—Not later than 1 9 year after the date of enactment of this paragraph, 10 the Secretary shall issue minimum standards for the 11 transportation of hazardous liquids by low-stress 12 pipelines located in proximity to areas unusually sen-13 sitive to environmental damage as defined by the Sec-14 retary under section 60109(b) and by regulation.

15 "(2) LOW-STRESS PIPELINE DEFINED.—For pur16 poses of this subsection (other than paragraph (5)), a
17 low-stress pipeline' means a hazardous liquid pipe18 line that is operated in its entirety at a stress level
19 of 20 percent or less of the specified minimum yield
20 strength of the line pipe of the pipeline and has a di21 ameter of greater than 8⁵/s inches.

22 "(3) APPLICABILITY.—The Secretary shall deter23 mine which low-stress pipelines are subject to the
24 minimum standards issued under this subsection.

1 "(4) REQUIREMENT.—Each operator of a low-2 stress pipeline that the Secretary determines is subject to the minimum standards issued by the Secretary 3 4 under this subsection shall operate the pipeline in ac-5 cordance with those standards. 6 "(5) PROHIBITION AGAINST EXCEPTION.—". 7 SEC. 6. AUTHORIZATION OF APPROPRIATIONS. 8 (a) GAS AND HAZARDOUS LIQUID.—Section 60125(a) is amended to read as follows: 9 10 "(a) GAS AND HAZARDOUS LIQUID.—To carry out 11 this chapter (except for section 60107) related to gas and 12 hazardous liquid, the following amounts are authorized to be appropriated to the Department of Transportation: 13 14 "(1) For fiscal year 2007, \$55,497,000, of which 15 \$39,872,000 is to be derived from user fees collected 16 under section 60301 and \$15,625,000 is to be derived 17 from the Oil Spill Liability Trust Fund established 18 by section 9509 of the Internal Revenue Code of 1986. 19 "(2) For fiscal year 2008, \$57,997,000, of which 20 \$42,651,000 is to be derived from such fees and \$15.346,000 is to be derived from the Fund. 21 22 "(3) For fiscal year 2009, \$60,482,000, of which \$44,839,000 is to be derived from such fees and 23 \$16,003,000 is to be derived from the Fund. 24

12

1	"(4) For fiscal year 2010, \$62,375,000, of which
2	\$46,444,000 is to be derived from such fees and
3	\$15,931,000 is to be derived from the Fund.".

4 (b) STATE GRANTS.—Section 60125(b)(1) is amended
5 to read as follows: "(1) To carry out section 60107, the fol6 lowing amounts are authorized to be appropriated to the
7 Department of Transportation:

8 "(A) For fiscal year 2007, \$20,238,000, of which
9 \$17,053,000 is to be derived from user fees collected
10 under section 60301 and \$3,185,000 is to be derived
11 from the Oil Spill Liability Trust Fund.

"(B) For fiscal year 2008, \$23,221,000, of which
\$19,567,000 is to be derived from such fees and
\$3,654,000 is to be derived from the Fund. Of the
amounts so appropriated, \$1,500,000 shall be available for grants to States under section 60134.

17 "(C) For fiscal year 2009, \$24,513,000, of which
18 \$20,656,000 is to be derived from such fees and
19 \$3,857,000 is to be derived from the Fund. Of the
20 amount so appropriated, \$1,750,000 shall be available
21 for grants to States under section 60134.

22 "(D) For fiscal year 2010, \$25,855,000, of which
23 \$21,786,000 is to be derived from such fees and
24 \$4,069,000 is to be derived from the Fund. Of the

1 amount so appropriated, \$2,000,000 shall be available 2 for grants to States under section 60134.". 3 (c) CONFORMING AMENDMENTS.—Section 60125 is amended-4 5 (1) by striking subsection (c); and 6 (2) by redesignating subsections (d) and (e) as 7 subsections (c) and (d), respectively. 8 (d)Emergency Response GRANTS.—Section 9 60125(c)(2) (as redesignated by subsection (c)(2) of this section) is amended by striking "2003 through 2006" and in-10 serting "2007 through 2010". 11 12 (e) ONE-CALL NOTIFICATION PROGRAMS.—Section 6107 is amended— 13 14 (1) in subsection (a) by striking "fiscal years" 15 2003 through 2006" and inserting "fiscal years 2007 16 through 2010"; and 17 (2) in subsection (b) by striking "for fiscal years" 18 2003 through 2006" and inserting "for fiscal years 19 2007 through 2010". 20 SEC. 7. STANDARDS TO IMPLEMENT NTSB RECOMMENDA-21 TIONS. 22 Not later than 18 months after the date of enactment 23 of this Act, the Secretary of Transportation shall issue 24 standards that implement the following recommendations 25 contained in the National Transportation Safety Board's report entitled "Supervisory Control and Data Acquisition
 (SCADA) in Liquid Pipelines" and adopted November 29,
 2005:

4 (1) Implementation of the American Petroleum
5 Institute's Recommended Practice 165 for the use of
6 graphics on the supervisory control and data acquisi7 tion screens.

8 (2) Implementation of a standard for pipeline
9 companies to review and audit alarms on monitoring
10 equipment.

(3) Implementation of standards for pipeline
controller training that include simulator or noncomputerized simulations for controller recognition of
abnormal pipeline operating conditions, in particular, leak events.

16 SEC. 8. ACCIDENT REPORTING FORM.

Not later than 12 months after the date of enactment
of this Act, the Secretary of Transportation shall amend
accident reporting forms to require operators gas and hazardous liquid pipelines to provide data related to controller
fatigue.

22 SEC. 9. LEAK DETECTION TECHNOLOGY STUDY.

Not later than 12 months after the date of enactment
of this Act, the Secretary of Transportation shall submit
to Congress a report on leak detection systems utilized by

operators of hazardous liquid pipelines. The report shall in clude a discussion of the inadequacies of current leak detec tion systems, including their ability to detect ruptures and
 small leaks that are onging or intermittent, and what can
 be done to foster development of better technologies as well
 as address existing technological inadequacies.

7 SEC. 10. PETROLEUM TRANSPORTATION CAPACITY STUDY.

8 (a) IN GENERAL.—Chapter 601 (as amended by sec9 tion 2(b)(2) of this Act) is further amended by adding at
10 the end the following:

11 "§60135. Petroleum product transportation capacity 12 study.

13 "(a) IN GENERAL.—The Secretary of Transportation may conduct analyses of the domestic transport of petro-14 15 leum products by pipeline. Such analyses should identify areas of the United States where shortages of pipeline ca-16 pacity and reliability concerns exist, where such shortages 17 have or are anticipated to contribute to significant in-18 creases in the price of petroleum products, or where un-19 planned loss of individual pipelines may cause shortages 20 21 of petroleum products or price disruptions.

(b) CONSULTATION.—In preparing any analysis
under this section, the Secretary may consult with other
government agencies and public- and private-sector experts
in pipeline and other forms of petroleum product transpor-

tation, energy consumption, capacity, population and eco nomic development.

3 "(c) Petroleum Product Defined.—In this sec-4 tion, the term 'petroleum product' means oil of any kind or in any form, gasoline, diesel fuel, aviation fuel, fuel oil, 5 kerosene, any product obtained from refining or processing 6 of crude oil, liquefied petroleum gases, natural gas liquids, 7 8 petrochemical feedstocks, condensate, waste or refuse mix-9 tures containing any of such oil products, and any other 10 liquid hydrocarbon compounds.".

(b) CLERICAL AMENDMENT.—The analysis for chapter
601 (as amended by section 2(b)(3) of this Act) is amended
by adding after the item relating to section 60134 the following:

"60135. Petroleum product transportation capacity study.".

15 SEC. 11. EMERGENCY WAIVERS.

- 16 Section 60118(c) is amended to read as follows:
- 17 "(c) WAIVERS BY SECRETARY.—
- 18 *"(1) NONEMERGENCY WAIVERS.*—
- "(A) IN GENERAL.—On application of a
 person owning or operating a pipeline facility,
 the Secretary by order may waive compliance
 with any part of an applicable standard prescribed under this chapter on terms the Secretary
 considers appropriate if the waiver is not inconsistent with pipeline safety.

- 1 "(B) HEARING.—The Secretary may act on 2 a nonemergency waiver under this paragraph only after notice and an opportunity for a hear-3 ing. 4 "(2) EMERGENCY WAIVERS.—The Secretary by 5 6 order may waive compliance with any part of an ap-7 plicable standard prescribed under this chapter on 8 terms the Secretary considers appropriate without 9 prior notice and comment if the Secretary determines 10 that the waiver is necessary to address an actual or 11 impending emergency involving pipeline transpor-
- 12 tation, including emergencies caused by natural or13 manmade disasters.

14 "(3) STATEMENT OF REASONS.—The Secretary
15 shall state in an order issued under this subsection
16 the reasons for granting the waiver.".

17 SEC. 12. PIPELINE SAFETY INFORMATION GRANTS TO COM18 MUNITIES.

19 Section 60130(d) is amended by striking "2006" and20 inserting "2010".

21 SEC. 13. MEMORANDUM OF UNDERSTANDING.

Not later than 45 days after the date of enactment of
this Act, the Secretary of Transportation shall develop and
execute an annex to the memorandum of understanding between the Secretary and the Secretary of Homeland Secu-

rity, dated September 28, 2004, to define and clarify the
 role and responsibility of the Department of Transportation
 regarding pipeline security, including the processes that the
 Department will follow to promote communications, effi ciency, and nonduplication of effort.

6 SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49,
7 UNITED STATES CODE; TABLE OF CONTENTS.
8 (a) SHORT TITLE.—This Act may be cited as
9 the "Pipeline Safety Improvement Act of
10 2006".

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

19 (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. Distribution integrity management program rulemaking deadline.
- Sec. 4. Authorization of appropriations.

1 SEC. 2. PIPELINE SAFETY AND DAMAGE PREVENTION.

2 (a) ONE CALL CIVIL ENFORCEMENT.—(1)
3 Section 60114 is amended by adding at the
4 end the following new subsections:

5 "(d) PROHIBITION.—A person who engages
6 in demolition, excavation, tunneling, or con7 struction—

8 "(1) may not engage in such demoli-9 tion, excavation, tunneling, or construction activity in a State that has adopted 10 a one-call notification system without 11 12 first using that system to establish the location of underground facilities in the 13 demolition, excavation, tunneling, or con-14 15 struction area;

"(2) may not engage in such demolition, excavation, tunneling, or construction activity in disregard of location information or markings established by a
pipeline facility operator pursuant to
subsection (b);

"(3) may not fail to take reasonable
steps to ensure safe demolition, excavation, tunneling, or construction to prevent damage to a pipeline; and

"(4) if the person damages, or be-1 comes aware of damage to, a pipeline fa-2 cility and such damage may endanger life 3 or cause serious bodily harm or damage 4 to property, may not fail to promptly re-5 6 port the damage to the owner or operator 7 of the facility and, if the damage results in the escape of any flammable, toxic, or 8 corrosive gas or liquid, may not fail to 9 10 promptly report to other appropriate authorities by calling the 911 emergency 11 12 telephone number.

13 "(e) LIMITATION.—The Secretary may not 14 conduct an enforcement proceeding under 15 subsection (d) within the boundaries of a 16 State that has the authority to impose pen-17 alties described in section 60134(b)(7) against 18 persons who violate that State's damage pre-19 vention laws, unless the Secretary has deter-20 mined that the State's enforcement is inad-21 equate to protect safety, consistent with this 22 chapter.".

23 (2) Section 60122(a)(1) is amended by
24 striking "60114(b)" and inserting "60114(b) or
25 (d)".

21

1 (b) STATE DAMAGE PREVENTION PRO-2 GRAMS.—(1) Section 60105(b)(4) is amended to 3 read as follows:

4 "(4) is encouraging and promoting the 5 establishment of a program designed to prevent damage by demolition, exca-6 vation, tunneling, or construction activ-7 ity to the pipeline facilities to which the 8 certification applies that subjects persons 9 who violate the applicable requirements 10 of that program to civil penalties and 11 other enforcement actions that are sub-12 stantially the same as are provided under 13 this chapter, and addresses the elements 14 in section 60134(b);". 15

16 (2) Chapter 601 is amended by adding at
17 the end the following new section:

18 "§ 60134. State damage prevention programs.

19 "(a) ELIGIBILITY.—A State authority (in20 cluding a municipality if the agreement under
21 section 60106(a) or (b) applies to intrastate
22 gas pipeline transportation) shall be eligible
23 for a grant under this section only if—

	25
1	"(1) it has an annual certification
2	under section 60105 or an agreement
3	under section 60106; and
4	"(2) either—
5	"(A) it is from a State that has an
6	effective damage prevention program
7	that meets the requirements of sub-
8	section (b); or
9	"(B) it demonstrates that it has
10	made substantial progress toward es-
11	tablishing such a program, and that
12	such program will meet the require-
13	ments of subsection (b).
14	"(b) DAMAGE PREVENTION PROGRAM ELE-
15	MENTS.—An effective damage prevention pro-
16	gram includes the following elements:
17	"(1) Participation by operators, exca-
18	vators, and other stakeholders in the de-
19	velopment and implementation of meth-
20	ods for establishing and maintaining ef-
21	fective communications among stake-
22	holders from receipt of a notification of
23	demolition, excavation, tunneling, or con-
24	struction until successful completion of

1	the demolition, excavation, tunneling, or
2	construction, as appropriate.
3	"(2) A process for fostering and ensur-
4	ing the support and partnership of stake-
5	holders, including excavators, operators,
6	locators, designers, and local government
7	in all phases of the program.
8	"(3) A process for reviewing the ade-
9	quacy of a pipeline operator's internal
10	performance measures regarding persons
11	performing locating services and quality
12	assurance programs.
13	"(4) Participation by operators, exca-
14	vators, the one-call center, the enforcing
15	agency, and other stakeholders in the de-
16	velopment and implementation of effec-
17	tive training programs for the employees
18	of operators, excavators, and locators.
19	"(5) A process for fostering and ensur-
20	ing active participation by all stake-
21	holders in public education for damage
22	prevention activities.
23	"(6) A process for resolving disputes
24	that defines the State authority's role as
25	a partner and facilitator to resolve issues.

1 "(7) Enforcement of State damage 2 prevention laws and regulations for all 3 aspects of the demolition, excavation, 4 tunneling, or construction process, in-5 cluding public education, and the use of 6 civil penalties for violations assessable by 7 the appropriate State authority.

"(8) A process for fostering and pro-8 moting the use, by all appropriate stake-9 holders, of improving technologies that 10 may enhance communications, under-11 ground pipeline locating capability, and 12 gathering and analyzing information 13 about the accuracy and effectiveness of 14 15 locating programs.

"(9) A process for review and analysis
of the effectiveness of each program element, including a means for implementing improvements identified by such
program reviews.

21 "(c) GRANTS TO STATES.—

22 "(1) IN GENERAL.—The Secretary may
23 make a grant of financial assistance to a
24 State authority that is eligible under this
25 section to assist in improving the overall

quality and effectiveness of a damage 1 prevention program of a State. In making 2 grants under this section, the Secretary 3 shall take into consideration the commit-4 5 ment of each State to ensuring the effectiveness of its damage prevention pro-6 gram, including legislative and regu-7 8 latory actions taken by the State.

"(2) APPLICATION.—If a State authority 9 files an application for a grant under this 10 section not later than September 30 of a 11 calendar year, the Secretary of Transpor-12 tation shall review the State's damage 13 prevention program to determine its ef-14 fectiveness. For programs determined to 15 be effective, the Secretary may make a 16 17 grant of financial assistance for the cost 18 of the personnel, equipment, and activi-19 ties the authority reasonably requires during the next calendar year to carry 20 21 out an effective damage prevention en-22 forcement program. A grant made under this section is not subject to the section 23 60107(a) limitation on the maximum per-24 centage of funds to be paid by the Sec-25

retary. Funds provided under this section 1 may not be used for lobbying or in direct 2 support of litigation.". 3

(3) In the table of sections of chapter 601, 4 5 the following item is added at the end:

"60134. State damage prevention programs.".

6 (c) STATE PIPELINE SAFETY GRANTS.—Sec-7 tion 60107(a) is amended by striking "not more than 50 percent" and inserting "not 8 more than 80 percent". 9

10 (d) DAMAGE PREVENTION TECHNOLOGY DE-**VELOPMENT.**—Section 60114 (as amended by 11 12 this section) is further amended by adding at the end the following new subsection: 13

"(f) TECHNOLOGY DEVELOPMENT GRANTS.— 14 To the extent and in the amount provided in 15 16 advance in appropriations acts, the Secretary may make grants to any organization or enti-17 18 ty (not including for-profit entities) for the de-19 velopment of technologies that will facilitate 20 the prevention of pipeline damage caused by demolition, excavation, tunneling, or con-21 22 struction activities, with emphasis on wire-23 less and global positioning technologies hav-24 ing potential for use in connection with notifi-25 cation systems and underground facility locating and marking services. Funds provided
 under this subsection may not be used for lob bying or in direct support of litigation. The
 Secretary may also support such technology
 development through cooperative agreements
 with trade associations, academic institu tions, and other organizations.".

8 (e) PUBLIC EDUCATION AND AWARENESS.—

9 (1) AMENDMENT.—Chapter 61 of title
10 49, United States Code, is amended by
11 adding at the end the following new sec12 tion:

13 "§ 6109. Public education and awareness.

14 "(a) GRANT AUTHORITY.—The Secretary 15 shall make a grant to an appropriate entity 16 for promoting public education and aware-17 ness with respect to the 811 national exca-18 vation damage prevention phone number.

19 "(b) AUTHORIZATION OF APPROPRIATIONS.—
20 There are authorized to be appropriated to
21 the Secretary \$1,000,000 for fiscal year 2007
22 for carrying out this section.".

23 (2) CONFORMING AMENDMENT.—The
24 table of sections of chapter 61 of title 49,

United States Code, is amended by add ing at the end the following new item:
 "6109. Public education and awareness.".

3 (f) SAFETY ORDERS.—Section 60117(l) is
4 amended to read as follows:

5 "(1) SAFETY ORDERS.—

"(1) IN GENERAL.—Not later than 1 6 7 year after the date of enactment of the **Pipeline Safety and Improvement Act of** 8 2006, the Secretary shall issue regula-9 tions providing that, after notice and op-10 portunity for a hearing, if the Secretary 11 determines that a pipeline facility has a 12 condition that poses a pipeline integrity 13 risk to public safety, property, or the en-14 vironment, the Secretary may order the 15 16 operator of the facility to take necessary 17 corrective action, including physical in-18 spection, testing, repair, replacement, or other appropriate action, to remedy that 19 20 condition.

21 "(2) CONSIDERATIONS.—In making a de22 termination under paragraph (1), the Sec23 retary shall, if relevant, and pursuant to
24 the regulations issued under paragraph
25 (1), consider—

1	"(A) the considerations specified
2	in section 60112(b);
3	"(B) the likelihood that the condi-
4	tion will impair the serviceability of a
5	pipeline;
6	"(C) the likelihood that the condi-
7	tion will worsen over time; and
8	"(D) the likelihood that the condi-
9	tion is present or could develop on
10	other areas of the pipeline.".
11	(g) INTEGRITY PROGRAM ENFORCEMENT
12	Section 60109(c)(9)(A)(iii) is amended to read
13	as follows:
14	"(iii) INADEQUATE PROGRAMS.—
15	If the Secretary determines that a
16	risk analysis or integrity manage-
17	ment program does not comply
18	with the requirements of this sub-
19	section or regulations issued as
20	described in paragraph (2), has
21	not been adequately imple-
	not been adequatery mipre-
22	mented, or is inadequate for the
22 23	
	mented, or is inadequate for the

1	60108(a), 60112, 60118(a) and (b),
2	60120, 60122, or any other section
3	of this chapter.".

4 (h) LOW-STRESS PIPELINES.—Section
5 60102(k) is amended to read as follows:

6 "(k) LOW-STRESS HAZARDOUS LIQUID PIPE7 LINES.—

"(1) MINIMUM STANDARDS.—Not later 8 9 than 12 months after the date of enactment of the Pipeline Safety Improvement 10 Act of 2006, the Secretary shall issue reg-11 ulations subjecting low-stress hazardous 12 liquid pipelines to the same standards 13 14 and regulations as other hazardous liquid pipelines, except as provided in para-15 graph (3). The implementation of the ap-16 17 plicable standards and regulatory re-18 quirements may be phased in. The regulations issued under this paragraph shall 19 not apply to gathering lines. 20

21 "(2) GENERAL PROHIBITION AGAINST LOW
22 INTERNAL STRESS EXCEPTION.—Except as
23 provided in paragraph (3), the Secretary
24 may not provide an exception to the re25 quirements of this chapter for a haz-

1	ardous liquid pipeline because the pipe-
2	line operates at low internal stress.
3	"(3) LIMITED EXCEPTIONS.—The Sec-
4	retary shall provide or continue in force
5	exceptions to this subsection for low-
6	stress hazardous liquid pipelines that—
7	"(A) are subject to safety regula-
8	tions of the United States Coast
9	Guard; or
10	"(B) serve refining, manufac-
11	turing, or truck, rail, or vessel ter-
12	minal facilities, if the pipeline is less
13	than 1 mile long (measured outside
14	the facility grounds) and does not
15	cross an offshore area or a waterway
16	currently used for commercial navi-
17	gation,
18	until regulations issued under paragraph
19	(1) become effective, after which the Sec-
20	retary may retain or remove those excep-
21	tions as appropriate.
22	"(4) RELATIONSHIP TO OTHER LAWS.—
23	Nothing in this subsection shall be con-
24	strued to prohibit or otherwise affect the
25	applicability of any other statutory or

regulatory exemption to any hazardous
 liquid pipeline.

"(5) DEFINITION.—For purposes of this **subsection, the term 'low-stress haz-ardous liquid pipeline' means a haz-ardous liquid pipeline that is operated in its entirety at a stress level of 20 percent or less of the specified minimum yield strength of the line pipe.**

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

16 (i) CORROSION CONTROL REGULATIONS.— 17 The Secretary of Transportation, in consulta-18 tion with the Technical Hazardous Liquid 19 Pipeline Safety Standards Committee and 20 other appropriate entities, shall review the 21 internal corrosion control regulations set 22 forth in subpart H of part 195 of title 49 of the 23 Code of Federal Regulations to determine if 24 such regulations are currently adequate to 25 ensure that the pipeline facilities subject to such regulations will not present a hazard to
 public safety or the environment. The Sec retary shall submit a report to the Congress
 within one year after the date of enactment
 of this Act containing the results of such re view, and may modify such regulations if nec essary and appropriate.

(i) ENERGY 8 CRITICAL **INFRASTRUCTURE** STUDY.—The Secretary of Energy, in consulta-9 10 tion with the Secretary of Transportation, shall analyze the domestic transport of crude 11 12 oil and other petroleum products by pipeline. Such analysis shall identify areas where reli-13 14 ability concerns exist or where failure or un-15 planned loss of individual pipeline facilities 16 may cause shortages of crude oil or other pe-17 troleum products or price disruptions. Not 18 later than one year after the date of enact-19 ment of this Act, the Secretaries shall submit 20 a report to the Congress setting forth their 21 recommendations to reduce the likelihood of 22 such shortages or disruptions.

23 (k) NATURAL GAS PIPELINES.—The Sec24 retary shall review and comment on the
25 Comptroller General report issued under sec-

1 tion 14(d)(1) of the Pipeline Safety Improve-2 ment Act of 2002 (49 U.S.C. 60109 note), and 3 not later than 60 days after the date of enact-4 ment of this Act, transmit to the Congress any 5 legislative recommendations the Secretary 6 considers necessary and appropriate to imple-7 ment the conclusions of that report.

8 (1) TECHNICAL ASSISTANCE GRANTS.—Sec9 tion 60130 is amended—

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

15 (2) by redesignating paragraph (2) of
16 subsection (a) as paragraph (4);

17 (3) by inserting after paragraph (1) of
18 subsection (a) the following new para19 graphs:

20 "(2) DEMONSTRATION GRANTS.—At least
21 the first 3 grants awarded under this sec22 tion shall be demonstration grants for the
23 purpose of demonstrating and evaluating
24 the utility of grants under this section.

Each such demonstration grant shall not
 exceed \$25,000.

"(3) DISSEMINATION OF TECHNICAL FIND-3 **INGS.**—Each recipient of a grant under 4 5 this section shall ensure that the technical findings made possible by the 6 7 grants are made available to the relevant 8 operators, and that open communication between the grant recipients, local opera-9 tors, local communities, and other inter-10 ested parties is encouraged.": and 11

12 (4) in subsection (d) by striking
13 "2006" and inserting "2010".

14 (m) ENFORCEMENT TRANSPARENCY.—(1)
15 Chapter 601, as amended by this section, is
16 amended by adding at the end the following
17 new section:

18 "§ 60135. Enforcement transparency.

19 "(a) IN GENERAL.—Not later than 12
20 months after the date of enactment of this sec21 tion, the Secretary shall—

"(1) provide a monthly updated summary to the public of all gas and hazardous liquid pipeline enforcement actions taken by the Secretary or the Pipe-

1 line and Hazardous Materials Safety Administration, from the time a notice com-2 mencing an enforcement action is issued 3 until the enforcement action is final. 4 Each summary shall include identifica-5 tion of the operator involved in the en-6 7 forcement activity, the type of alleged violation, the penalty or penalties pro-8 posed, any changes in case status since 9 the previous summary, the final assess-10 ment amount of each penalty, and the 11 12 reasons for a reduction in the proposed penalty, if appropriate; and 13

14 "(2) provide a mechanism by which a 15 pipeline operator named in an enforce-16 ment action may make information, ex-17 planations, or documents it believes are 18 responsive to the enforcement action 19 available to the public.

20 "(b) ELECTRONIC POSTING.—Each summary
21 required under this section shall be made
22 available to the public via posting by elec23 tronic means.

24 "(c) RELATIONSHIP TO FOIA.—Nothing in 25 this section shall be construed to require disclosure of information or records that would
 be exempt from disclosure under section 552
 of title 5, United States Code (commonly
 known as the Freedom of Information Act).".
 (2) In the table of sections of chapter 601,
 as amended by this section, the following item
 is added at the end:

"60135. Enforcement transparency.".

8 (n) COST REIMBURSEMENTS.—Section 60117
9 is amended by adding at the end the following
10 new subsection:

11 "(m) COST RECOVERY FOR DESIGN RE-12 VIEWS.—If the Secretary conducts facility de-13 sign safety reviews in connection with a pro-14 posal to construct, expand, or operate a lique-15 fied natural gas pipeline facility, the Sec-16 retary may require the person requesting 17 such reviews to pay the associated staff costs 18 relating to such reviews incurred by the Sec-19 retary, such funds to be deposited into the 20 pipeline safety fund. Funds deposited pursu-21 ant to this section are authorized to be appro-22 priated for the purposes set forth in section 23 60301(d). The Secretary may assess such costs 24 in any reasonable manner.".

1	(o) DIRECT LINE SALES.—Section 60101(a)
2	is amended—
3	(1) by amending paragraph (6) to
4	read as follows:
5	"(6) 'interstate gas pipeline facility'
6	means a gas pipeline facility—
7	"(A) used to transport gas; and
8	"(B) subject to the jurisdiction of
9	the Commission under the Natural
10	Gas Act (15 U.S.C. 717 et seq.);"; and
11	(2) by amending paragraph (9) to
12	read as follows:
13	"(9) 'intrastate gas pipeline facility'
14	means a gas pipeline facility and trans-
15	portation of gas within a State not sub-
16	ject to the jurisdiction of the Commission
17	under the Natural Gas Act (15 U.S.C. 717
18	et seq.);".
19	SEC. 3. DISTRIBUTION INTEGRITY MANAGEMENT PRO-
20	GRAM RULEMAKING DEADLINE.
21	Section 60109 of title 49, United States
22	Code, is amended by adding at the end the fol-
23	lowing:
24	"(e) DISTRIBUTION INTEGRITY MANAGEMENT
25	PROGRAMS.—Not later than 1 year after the

date of enactment of this subsection, the Sec retary shall prescribe minimum standards for
 integrity management programs for distribu tion pipelines.".

5 SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

6 (a) Section 60125(a) is amended to read as
7 follows:

8 "(a) GAS AND HAZARDOUS LIQUID.—To carry 9 out this chapter (except for section 60107) re-10 lated to gas and hazardous liquid, the fol-11 lowing amounts are authorized to be appro-12 priated to the Secretary, from fees collected 13 under section 60301 in each respective year, 14 and from the Oil Spill Liability Trust Fund:

15 "(1) For fiscal year 2007, \$55,497,000,
16 of which \$39,872,000 shall be from fees
17 and \$15,625,000 shall be from the Fund.

18 "(2) For fiscal year 2008, \$57,997,000,
19 of which \$42,651,000 shall be from fees
20 and \$15,346,000 shall be from the Fund.

21 "(3) For fiscal year 2009, \$60,482,000,
22 of which \$44,839,000 shall be from fees
23 and \$15,643,000 shall be from the Fund.

"(4) For fiscal year 2010, \$62,375,000,
 of which \$46,444,000 shall be from fees
 and \$15,931,000 shall be from the Fund.".
 (b) Section 60125(b)(l) is amended to read
 as follows:

6 "(1) To carry out section 60107, the 7 following amounts are authorized to be 8 appropriated to the Secretary, from fees 9 collected under section 60301 in each re-10 spective year, and from the Oil Spill Li-11 ability Trust Fund:

 12
 "(A) For fiscal year 2007,

 13
 \$20,238,000, of which \$17,053,000 shall

 14
 be from fees and \$3,185,000 shall be

 15
 from the Fund.

fiscal **"(B)** For 16 2008, year \$23,221,000, of which \$19,567,000 shall 17 18 be from fees and \$3,654,000 shall be 19 from the Fund. Of the amount appropriated, \$1,500,000 shall be available 20 21 for fiscal year 2008 for the grants to 22 States authorized in section 60134.

23 "(C) For fiscal year 2009,
24 \$24,513,000, of which \$20,656,000 shall
25 be from fees and \$3,857,000 shall be

from the Fund. Of the amount appro priated, \$1,750,000 shall be available
 for fiscal year 2009 for the grants to
 States authorized in section 60134.
 "(D) For fiscal year 2010.

5 "(D) For fiscal year 2010, 6 \$25,855,000, of which \$21,786,000 shall 7 be from fees and \$4,069,000 shall be 8 from the Fund. Of the amount appro-9 priated, \$2,000,000 shall be available 10 for fiscal year 2010 for the grants to 11 States authorized in section 60134.".

12 (c) Section 60125(c) is repealed.

13 (d) Subsections (d) and (e) of section 60125
14 are redesignated as subsections (c) and (d),
15 respectively.

(e) Section 60125(c)(2), as so redesignated
by subsection (d) of this section, is amended
by striking "2003 through 2006" and inserting
"2007 through 2010".

20 (f) Section 6105(c)(2) is amended by strik21 ing "fiscal years 2003 through 2006" and in22 serting "fiscal years 2007 through 2010".

23 (g) Section 6107 is amended—

(1) in subsection (a), by striking "fis cal years 2003 through 2006" and insert ing "fiscal years 2007 through 2010"; and
 (2) in subsection (b), by striking "for
 fiscal years 2003 through 2006" and in serting "for fiscal years 2007 through
 2010".

8 SEC. 5. INCIDENT REPORTING.

9 (a) AMENDMENT.—Chapter 601 is amended 10 by adding at the end the following section:

11 **"§ 60136. Incident reporting.**

12 "Not later than 12 months after date of en-13 actment of this section, the Secretary shall re-14 view the incident reporting requirements for 15 operators of natural gas pipelines and modify 16 the reporting criteria as appropriate to en-17 sure that the incident data gathered accu-18 rately reflects incident trends over time, tak-19 ing into consideration the recommendations 20 from the Comptroller General in GAO report 21 06–946.".

(b) TECHNICAL AMENDMENT.—In the table
of sections of chapter 601, the following item
is added at the end:

"60136. Incident reporting.".

Union Calendar No. 429

109TH CONGRESS H. R. 5782

[Report No. 109–717, Parts I and II]

A BILL

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.

December 5, 2006

Reported from the Committee on Transportation and Infrastructure with an amendment

December 5, 2006

Reported from the Committee on Energy and Commerce with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed