



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

September 20, 2012

The Honorable John D. Rockefeller IV
Chairman, Committee on Commerce, Science
and Transportation
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Section 19(c) of the Pipeline Safety Improvement Act of 2002 (Pub.L.107-355) requires the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) to report to Congress each year on any pipeline safety recommendations made by the National Transportation Safety Board (NTSB) during the prior year and to provide a copy of the response for each such recommendation. This letter is submitted in fulfillment of this requirement.

The NTSB issued safety recommendations to PHMSA during calendar year 2011 as listed on the enclosure to this letter.

We take our responsibility to address all recommendations seriously, and we have submitted to the NTSB our plan to address these matters. We will continue to work aggressively to close all open recommendations.

A similar letter has been sent to the Ranking Member of the Senate Committee on Commerce, Science and Transportation; the Chairman and Ranking Member of the House Committee on Energy and Commerce; and the Chairman and Ranking Member of the House Committee on Transportation and Infrastructure.

If I can provide further information or assistance, please feel free to call me.

Sincerely yours,

Ray LaHood

Enclosure

A large, stylized handwritten signature in blue ink is written over the typed name "Ray LaHood". The signature is highly cursive and fluid, with long, sweeping strokes.



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

September 20, 2012

The Honorable Kay Bailey Hutchison
Ranking Member
Committee on Commerce, Science
and Transportation
United States Senate
Washington, DC 20510

Dear Senator Hutchison:

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

September 20, 2012

The Honorable John L. Mica
Chairman
House Committee on Transportation
and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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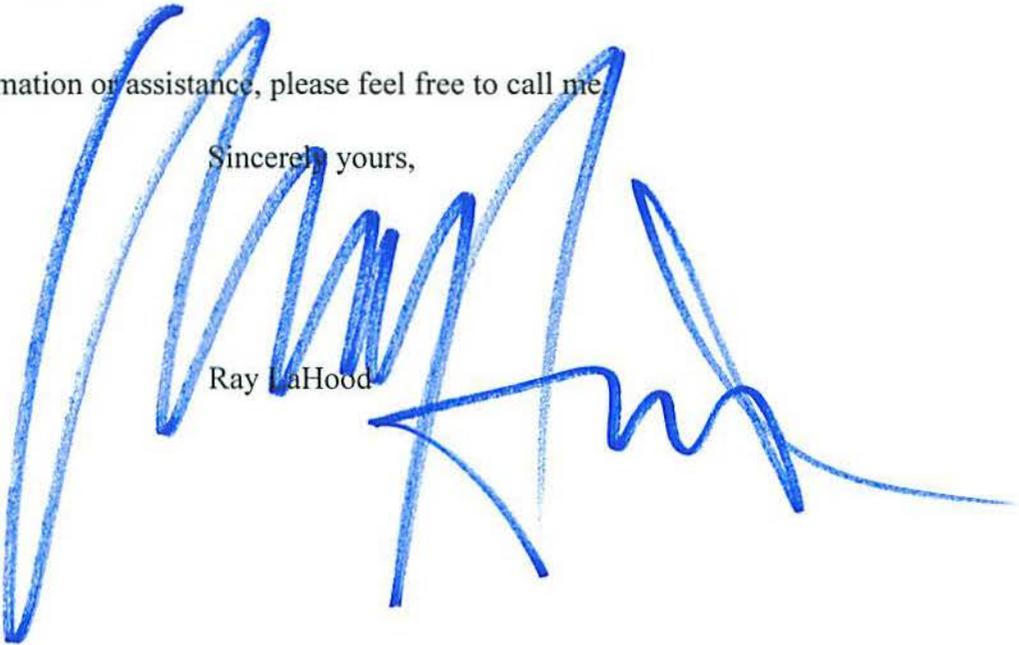
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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

September 20, 2012

The Honorable Nick J. Rahall II
Ranking Member
House Committee on Transportation
and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Rahall:

Section 19(c) of the Pipeline Safety Improvement Act of 2002 (Pub.L.107-355) requires the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) to report to Congress each year on any pipeline safety recommendations made by the National Transportation Safety Board (NTSB) during the prior year and to provide a copy of the response for each such recommendation. This letter is submitted in fulfillment of this requirement.

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Ray LaHood

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

September 20, 2012

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

September 20, 2012

The Honorable Henry A. Waxman
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Waxman:

Section 19(c) of the Pipeline Safety Improvement Act of 2002 (Pub.L.107-355) requires the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) to report to Congress each year on any pipeline safety recommendations made by the National Transportation Safety Board (NTSB) during the prior year and to provide a copy of the response for each such recommendation. This letter is submitted in fulfillment of this requirement.

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**NATIONAL TRANSPORTATION SAFETY BOARD RECOMMENDATIONS
ON PIPELINE SAFETY ISSUED IN 2011**

NTSB Recommendation Number	Date Issued	Description	Response and Current Classification
P-10-1	1/3/2011	Through appropriate and expeditious means such as advisory bulletins and posting on your website, immediately inform the pipeline industry of the circumstances leading up to and the consequences of the September 9, 2010, pipeline rupture in San Bruno, California, and the National Transportation Safety Board's urgent safety recommendations to Pacific Gas and Electric Company so that pipeline operators can proactively implement corrective measures as appropriate for their pipeline systems.	NTSB closed recommendation on February 14, 2011 based on PHMSA actions, including issuance of an Advisory Bulletin. (NTSB Classification: Closed – Acceptable Action ¹)
P-11-1	6/8/2011	Issue guidance to operators of natural gas transmission and distribution pipelines and hazardous liquid pipelines to provide system-specific information, including pipe diameter, operating pressure, product transported, and potential impact radius, about their pipeline systems with the emergency response agencies of the communities and jurisdictions in which those pipelines are located.	NTSB sent a letter to the PHMSA on September 26, 2011, stating: "Because of emergency response awareness issues discovered in the Carmichael, Mississippi, and San Bruno investigations, the NTSB is concerned that similar problems may exist with other pipeline operators and believes that the guidance recommended in Safety Recommendations P-11-1 and -2 should be codified as requirements. As a result of this new recommendation to PHMSA, Safety Recommendation P-11-1 is classified "Closed-Superseded." (NTSB Classification: Closed – Superseded)

¹ For NTSB status definitions, see <http://www.nts.gov/safetyrecs/Help.html>

P-11-2	6/8/2011	Issue guidance to operators of natural gas transmission and distribution pipelines and hazardous liquid pipelines to ensure that their control room operators immediately and directly notify the 911 emergency call center(s) for the communities and jurisdictions in which those pipelines are located when a possible rupture of any pipeline is indicated.	<p>NTSB sent a letter to the PHMSA on September 26, 2011, stating: "Because of emergency response awareness issues discovered in the Carmichael, Mississippi, and San Bruno investigations, the NTSB is concerned that similar problems may exist with other pipeline operators and believes that the guidance recommended in Safety Recommendations P-11-1 and -2 should be codified as requirements." "Further, the NTSB recommends that PHMSA require operators of natural gas transmission and distribution pipelines and hazardous liquid pipelines to ensure that their control room operators immediately and directly notify the 911 emergency call center(s) for the communities and jurisdictions in which those pipelines are located when a possible rupture of any pipeline is indicated. As a result of this new recommendation to PHMSA, Safety Recommendation P-11-2 is classified "Closed-Superseded."</p> <p>(NTSB Classification: Closed – Superseded)</p>
P-11-4	9/26/2011	Conduct an audit to assess the effectiveness of the Pipeline and Hazardous Materials Safety Administration's oversight of performance-based safety programs. This audit should address the (1) need to expand the program's use of meaningful metrics; (2) adequacy of its inspection protocols for ensuring the completeness and accuracy of pipeline operators' integrity management program data; (3) adequacy of its inspection protocols for ensuring the incorporation of an operator's leak, failure, and incident data in evaluations of the operator's risk model; and (4) benefits of establishing performance goals for pipeline operators.	<p>The Office of the Secretary of Transportation launched an independent audit in February 2012 to address these recommendations. Following the Program Evaluation Standards, PHMSA's Senior Policy Advisor is leading the audit. . Completion of the audit is expected by the end of CY2012.</p> <p>(NTSB Classification: Open-acceptable response)</p>

P-11-5	9/26/2011	Include in the audit conducted pursuant to Safety Recommendation P-11-4 a review of the Pipeline and Hazardous Materials Safety Administration's enforcement policies and procedures, including, specifically, the standard of review for compliance with performance-based regulations. (P-11-5)	Items requested will be included in the audit described above (P-11-4). (NTSB Classification: Open-acceptable response)
P-11-6	9/26/2011	Conduct an audit of the Pipeline and Hazardous Materials Safety Administration's state pipeline safety program certification program to assess and ensure state pipeline safety programs and Federal pipeline safety grants are used effectively to conduct oversight of intrastate pipeline operations, including an evaluation of state inspection and enforcement activities. (P-11-6)	The Office of Inspector General (OIG) is currently conducting an audit on the State Certification Program. (NTSB Classification: Open-acceptable response)
P-11-7	9/26/2011	Ensure that the Pipeline and Hazardous Materials Safety Administration amends the certification program, as appropriate, to comply with the findings of the audit recommended in Recommendation P-11-6 (P-11-7).	PHMSA will respond to and act as appropriate to any OIG recommendation. (NTSB Classification: Open-acceptable response)
P-11-8	9/26/2011	Require operators of natural gas transmission and distribution pipelines and hazardous liquid pipelines to provide system-specific information about their pipeline systems to the emergency response agencies of the communities and jurisdictions in which those pipelines are located. This information should include pipe diameter, operating pressure, product transported, and potential impact radius. (P-11-8). This recommendation supersedes Safety Recommendation P-11-1.	On November 3, 2010, PHMSA issued Advisory Bulletin PHMSA-2010-0307 regarding Pipeline Safety: Emergency Preparedness Communications. PHMSA expanded on that effort through an Emergency Responder Forum, which was held on December 9, 2011 at the U.S. DOT's Headquarters in Washington, DC. The NTSB was invited to attend. This Forum convened leaders from the emergency responder community, Federal and State Government, the public, and the pipeline industry to begin development of a strategy and action plan for improving emergency responders' ability to prepare for and respond to pipeline emergencies. Our Forum evaluated available resources and current regulatory requirements, drew lessons from several recent pipeline accidents, and sought to reveal

			<p>potential gaps in information firefighters and other emergency responders need to prepare for and respond to natural gas and hazardous liquid pipeline emergencies adequately.</p> <p>PHMSA is currently developing appropriate language to promulgate a rulemaking to address this recommendation.</p> <p>(NTSB Classification: Open - acceptable response)</p>
P-11-9	9/26/2011	Require operators of natural gas transmission and distribution pipelines and hazardous liquid pipelines to ensure that their control room operators immediately and directly notify the 911 emergency call center(s) for the communities and jurisdictions in which those pipelines are located when a possible rupture of any pipeline is indicated. (P-11-9). This recommendation supersedes Safety Recommendation P-11-2.	<p>PHMSA will publish an Advisory Bulletin by 12/31/2012 to all pipeline operators reiterating the importance of immediate dialogue between the operator and emergency responders when any indication of a pipeline rupture or other emergency condition that may have an adverse impact on people or the environment arises.</p> <p>(NTSB Classification: Open - acceptable response)</p>
P-11-10	9/26/2011	Require that all operators of natural gas transmission and distribution pipelines equip their supervisory control and data acquisition systems with tools to assist in recognizing and pinpointing the location of leaks, including line breaks; such tools could include a real-time leak detection system and appropriately spaced flow and pressure transmitters along covered transmission lines. (P-11-10)	<p>On August 25, 2011, PHMSA published an Advance Notice of Proposed Rulemaking (ANPRM), which requests comments regarding leak detection systems on natural gas pipelines. As part of a larger study on pipeline leak detection technology, PHMSA conducted a public workshop on March 27-28, 2012. This study will, among other things, examine how enhancements to supervisory control and data acquisition systems can improve recognition of pipeline leak locations.</p> <p>PHMSA is now developing a scope of work for a detailed research project on this matter.</p> <p>(NTSB Classification: Open - acceptable response)</p>
P-11-11	9/26/2011	Amend Title 49 Code of Federal Regulations 192.935(c) to directly require that automatic shutoff valves or remote control valves in high consequence areas and in class 3 and 4 locations be installed and spaced at intervals that consider the	<p>PHMSA published an ANPRM on August 25, 2011 that posed questions about the need for modifying current regulations for mainline valves, including the possibility of requiring remote actuation or automatic shutoff.</p>

		factors listed in that regulation. (P-11-11)	Further, PHMSA held a public workshop on March 28, 2012 to discuss the application of automatic/remote control valves. PHMSA has contracted Oak Ridge National Laboratory to study the issue. The study will inform potential rulemaking. (NTSB Classification: Open - acceptable response)
P-11-12	9/26/2011	Amend Title 49 Code of Federal Regulations 199.105 and 49 Code of Federal Regulations 199.225 to eliminate operator discretion with regard to testing of covered employees. The revised language should require drug and alcohol testing of each employee whose performance either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. (P-11-12)	PHMSA is consulting within the U.S. Department of Transportation as its broader authority. Following completion of this consultation, PHMSA will address, as appropriate, any potential amendments to the regulatory language identified in § 199.105(b) and .225(a)(1) (NTSB Classification: Open - acceptable response)
P-11-13	9/26/2011	Issue immediate guidance clarifying the need to conduct post-accident drug and alcohol testing of all potentially involved personnel despite uncertainty about the circumstances of the accident. (P-11-13)	On February 23, 2012, PHMSA published an Advisory Bulletin reminding operators of the requirement for post-accident testing and clarify that testing must occur unless an operator can unequivocally determine that personnel did not contribute to the accident. NTSB acknowledged this advisory bulletin satisfied the requirements of the recommendation. (NTSB Classification: Closed - acceptable response)
P-11-14	9/26/2011	Amend Title 49 Code of Federal Regulations 192.619 to delete the grandfather clause and require that all gas transmission pipelines constructed before 1970 be subjected to a hydrostatic pressure test that incorporates a spike test. (P-11-14)	PHMSA sent a letter to the NTSB on December 14, 2011 stating: "In our August 2011 gas transmission ANPRM referenced earlier, PHMSA began rulemaking on this and other issues relating to the San Bruno failure. PHMSA intends to advance rulemaking to address this topic during CY 2012. Removing the grandfather clause for all gas transmission pipelines will involve significant technical and economic challenges and is likely to require time to implement. Accordingly,

			<p>PHMSA will evaluate a number of risk-based options for implementing this recommendation.”</p> <p>(NTSB Classification: Open - acceptable response)</p>
P-11-15	9/26/2011	<p>Amend Title 49 Code of Federal Regulations Part 192 of the Federal pipeline safety regulations so that manufacturing- and construction-related defects can only be considered stable if a gas pipeline has been subjected to a post construction hydrostatic pressure test of at least 1.25 times the maximum allowable operating pressure. (P-11-15)</p>	<p>In August 2011, PHMSA began the regulatory process needed to implement rulemaking to strengthen the Integrity Management requirements relating to manufacturing and construction defects. PHMSA is currently in an information collection process and data to be collected is due by March 2013. Rulemaking will follow.</p> <p>(NTSB Classification: Open - acceptable response)</p>
P-11-16	9/26/2011	<p>Assist the California Public Utilities Commission in conducting the comprehensive audit recommended in Safety Recommendation P-11-22. (P-11-16)</p>	<p>In April 2011, PHMSA participated with the California Public Utility Commission (CPUC) in the review of the Risk Assessment and Threat Identification portion of their Gas Integrity Management Audit of Pacific Gas and Electric (PG&E). PHMSA continues to provide support to the CPUC in regard to the application of the integrity management regulations, and is also participating in approximately six safety evaluations of PG&E in CY 2012.</p> <p>(NTSB Classification: Open - acceptable response)</p>
P-11-17	9/26/2011	<p>Require that all natural gas transmission pipelines be configured so as to accommodate in-line inspection tools, with priority given to older pipelines. (P-11-17)</p>	<p>PHMSA regulations were changed in 2004 to require that most new gas transmission pipelines be piggable. To support a decision on expanding the requirement to retrofit all gas transmission pipelines to make them piggable, PHMSA is currently collecting data through operators' annual reports (OMB Control # - 21370522) that will help us more precisely understand the implications of such a requirement.</p> <p>(NTSB Classification: Open - acceptable response)</p>

P-11-18	9/26/2011	<p>Revise your integrity management inspection protocol to (1) incorporate a review of meaningful metrics; (2) require auditors to verify that the operator has a procedure in place for ensuring the completeness and accuracy of underlying information; (3) require auditors to review all integrity management performance measures reported to the Pipeline and Hazardous Materials Safety Administration and compare the leak, failure, and incident measures to the operator's risk model; and (4) require setting performance goals for pipeline operators at each audit and follow up on those goals at subsequent audits. (P-11-18)</p>	<p>PHMSA agrees that clear, meaningful metrics are important. PHMSA has been collecting and reviewing integrity management performance metrics from pipeline operators since 2004. PHMSA inspectors compare the operator reported data to the records maintained by the operator for consistency. In January 2011, PHMSA issued an Advisory Bulletin on record keeping and risk, two critical components to an effective integrity management performance. PHMSA intends to revise the inspection format to encourage inspectors to focus on verification of performance measures, record adequacy, data integration, and risk analysis.</p> <p>PHMSA has always maintained a bias for continual improvement in pipeline safety, which at times, has included in-person performance reviews with company executives. These meetings have occurred to remedy unanswered deficiencies found in inspections, and establish clear expectations these companies need to follow for compliance. In the Fall of 2012, PHMSA will conduct a workshop that will look at data as it relates to meaningful metrics. Based on the outcomes of this workshop, PHMSA will identify appropriate metrics to add to the IM protocols and operator's performance goals.</p> <p>(NTSB Classification: Open - acceptable response)</p>
P-11-19	9/26/2011	<p>(1) Develop and implement standards for integrity management and other performance-based safety programs that require operators of all types of pipeline systems to regularly assess the effectiveness of their programs using clear and meaningful metrics, and to identify and then correct deficiencies; and (2) make those metrics available in a centralized database. (P-11-19)</p>	<p>PHMSA will identify clear and meaningful metrics that liquid and gas operators should utilize to regularly assess the effectiveness of their programs, with planned implementation in 2014. While the three PHMSA integrity management and other performance-based safety programs require operators to regularly assess the effectiveness of their programs using metrics, and to identify and then correct deficiencies, PHMSA agrees improvements can be made.</p>

			<p>Current performance-based safety program regulations will be updated, as required, to ensure that Operators are required to regularly assess the effectiveness of their programs using these metrics and to identify and then correct deficiencies.</p> <p>In the Fall of 2012, PHMSA will conduct a workshop that will look at data as it relates to meaningful metrics. Based on the outcomes of this workshop, PHMSA will identify appropriate metrics to add to the IM protocols and operator's performance goals.</p> <p>(NTSB Classification: Open - acceptable response)</p>
P-11-20	9/26/2011	<p>Work with state public utility commissions to (1) implement oversight programs that employ meaningful metrics to assess the effectiveness of their oversight programs and make those metrics available in a centralized database; and (2) identify and then correct deficiencies in those programs. (P-11-20)</p>	<p>PHMSA will work with State pipeline safety programs to evaluate ways to improve the oversight of the State programs and correct identified deficiencies. We have begun dialog on this and other topics relating to the performance of State programs with the National Association of Regulatory Utility Commissioners who, as a general rule, direct the actions of our State pipeline safety program managers. We have also begun parallel discussions with the National Association of Pipeline Safety Representatives. Implementation of efforts is targeted for completion in 2014.</p> <p>PHMSA has been committed to increasing the transparency of its own data, and has over the past few years been pushing for greater transparency of State pipeline safety program data. We are engaged with the many States now, and will be using State generated data in the next year to increase the amount of performance data available to the public.</p> <p>(NTSB Classification: Open - acceptable response)</p>