

control center management plans and added data collection requirements. Most significant of these will be the PHMSA distribution integrity management standard, which is required by the end of 2007 and will cover added requirements for nearly 2 million miles of the nation's gas distribution pipelines and thousands of gas companies.

State Damage Prevention Programs

The PIPES Act sets a mission for DOT "to assist in improving the overall quality and effectiveness of a damage prevention program" of each of the States. It encourages each State to have "an effective damage prevention program" and defines nine essential measures for an effective damage prevention program. This means that States will need the additional resources authorized in the new law to help implement more comprehensive damage prevention programs. The PIPES Act also authorized DOT to grant funding for the States to enhance their damage prevention efforts. It is essential that the necessary appropriations be made.

However, the PIPES Act provided no increase in the current level of funding, \$1 million, for One-Call Grants. That level was inadequate to meet the States' requests of \$2.4 million in 2006. Clearly, the current \$1 million grant is not adequate to encourage the States to implement effective damage prevention programs as envisioned by the PIPES Act.

NAPSR Strongly Supports Increased Appropriations for Grant Funding

States strongly supported the provisions in the PIPES Act that would provide up to 80% funding for State pipeline safety programs. The rapid expansion of Federal pipeline safety initiatives in recent years (such as operator qualification, public awareness, integrity management, homeland security, and damage prevention) has greatly increased the cost and resource demands of State participation. However, adequate grant funds must be appropriated. If the States' pipeline safety costs remain the same as the amount projected for 2006 (\$43.5 million), even the 2010 authorization for pipeline safety of \$23,855,000 (\$25,252,000 - \$2,000,000 for damage prevention) is only 55% of the cost of the State pipeline safety programs. Clearly, additional appropriations are essential to carry out the expanded States safety programs required by the Act.

State pipeline safety programs represent approximately 80 percent of the Federal/State inspector work force that oversees pipelines nationwide. Grant funds are an effective way to leverage resources and increase total inspection capability since States match or exceed Federal funding provided for pipeline safety.

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National Association of Pipeline Safety Representatives



Position Statement

Appropriations Related to

The Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006

February 16, 2007

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Summary

- The Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 ("PIPES Act") authorized raising the State pipeline safety program grants from 50% funding to 80% funding. It is essential that funds actually be appropriated to ensure increased funding to cover this commitment.
- A key element in pipeline safety is minimizing excavation damage to pipelines. The PIPES Act imposed a series of requirements on State damage prevention programs in order to improve damage prevention across the nation. However, there is no increase in the current level of funding, \$1 million, for One-Call Grants. That level was inadequate to meet the States' requests of \$2.4 million in 2006. Clearly, it will not meet the needs in the future.
- States should be able to access damage prevention program grants to begin, maintain and/or improve their damage prevention programs.

The National Association of Pipeline Safety Representatives (NAPSR) was established in 1982 and is a non-profit organization of State agency pipeline safety managers, inspectors and technical personnel who serve to support, encourage, develop and enhance pipeline safety. NAPSR provides an effective mechanism for fostering the Federal/State partnership through 52 State agencies whose mission is, "to strengthen states' pipeline safety programs through promotion of improved pipeline safety standards, education, training, and technology". As part of its efforts in furthering pipeline safety in the United States, NAPSR adopts resolutions to raise serious pipeline safety concerns of national scope to the Secretary of Transportation for consideration in regulatory and enforcement activities. NAPSR also establishes working committees to resolve those pipeline safety problem areas requiring immediate attention and in-depth analysis.

The Role of The States

Chapter 601 of Title 49, United States Code, authorizes the Secretary of the Department of Transportation to administer a pipeline safety program for the gas and hazardous liquids pipelines in the U.S. This chapter allows the Secretary to delegate all or part of the responsibilities for pipeline safety to interested States. It also authorizes Federal grants to States, originally of up to 50 percent, now with the PIPES Act, 80 percent, of the cost of their safety programs. The resulting Federal/State partnership is essential for ensuring the safe transportation of gas and hazardous liquid products to the consumer.

The responsibility for State pipeline safety programs is carried out by approximately 325 qualified engineers and inspectors. This represents more than 80 percent of the State/Federal inspection workforce. States have safety jurisdiction over approximately 78% of all pipelines in the country - 1,827,000 out of 2,347,000 miles - (93% of the gas distribution pipelines (1,725,00 out of 1,865,000 miles), 15% of the gas transmission pipelines (48,000 out of 321,000 miles), 33% of the liquid pipelines (54,000 out of 161,000 miles)). The majority of the pipeline facilities under States' jurisdiction are located near or within populated areas making States' safety work critical to public safety.

Expanded Program Requirements

New regulatory requirements have increased the resources that States must expend to carry out their pipeline safety programs. The addition of pipeline operations personnel qualification requirements in the pipeline safety code, along with the associated inspection protocols, has resulted in additional inspection-days for State programs. Under new Federal requirements for community awareness and training of emergency responders, States have assumed a greater role in working with industry to help facilitate contacts between local officials, emergency responders, and the public. During an emergency, State pipeline safety authorities work with all stakeholders to ensure services are restored safely.

In 2002, pipeline safety reauthorization mandated that operators of natural gas transmission and liquid pipelines develop and implement integrity management plans. This law also mandated that operators review and revise their public awareness programs. Each of these new mandates has required substantial additional State resources to inspect operators.

Further reauthorization by way of the PIPES Act imposes added requirements that will also require additional State efforts to verify compliance with the new law and resulting regulations. The PIPES Act covers added inspection requirements on low stress liquids pipelines, an integrity management program for gas distribution systems, pipeline