



Comments of the Regulatory Action Center

Re: Pipeline Safety: Gas Pipeline Regulatory Reform

Docket ID: PHMSA-2018-0046-0010

August 10, 2020

The Regulatory Action Center at FreedomWorks Foundation is dedicated to educating Americans about the impact of government regulations on economic prosperity and individual liberty. FreedomWorks Foundation is committed to lowering the barrier between millions of FreedomWorks citizen activists and the rule-making process of government bureaus to which they are entitled to contribute.

On behalf of over 5.7 million activists nationwide, FreedomWorks Foundation appreciates the opportunity to offer these comments regarding the notice and request for comments on Pipeline Safety: Gas Pipeline Regulatory Reform (PHMSA-2018-0046-0010). This notice seeks comment on a proposed rule that would amend the Federal Pipeline Safety Regulations (FPSR) to ease the regulatory burden on the construction, maintenance and operation of natural gas pipelines.

Historically, regulators of both pipelines and the natural gas industry erect unnecessarily strict regulatory frameworks that have hamper industry growth. As the Pipeline and Hazardous Materials Safety Administration (PHMSA) notes on its website, historic growth in the natural gas industry requires “that we fundamentally rethink how we will use data, information, and technology to achieve our safety goals.”¹ Implementing the reforms described in the proposed rule is a great step towards achieving the goals outlined in the Administration’s updated mission statement.

With nearly 3 million miles of natural gas pipelines currently in operation, there is no better time for the PHMSA to reevaluate the FPSRs.² Although PHMSA delegates much of its statutory authority as administrator of pipeline safety programs to state agents, the responsibility for creating a healthy regulatory environment rests solely with them. Amending the FPSR as proposed will provide much needed flexibility for both the industry and inspectors. With an estimated 20 year cost savings of nearly \$2 billion, this proposed rule is common sense reform

¹ PHMSA's Mission. <https://www.phmsa.dot.gov/about-phmsa/phmsas-mission>

² Parfomak, Paul. “DOT’s Federal Pipeline Safety Program: Background and Key Issues for Congress.” *Congressional Research Service*. Updated March 29, 2019. <https://crsreports.congress.gov/product/pdf/R/R44201>



for the Administration. Specifically, proposed amendments A, D, F, and I will provide great benefits to the natural gas industry without endangering the environment.

As the PHMSA notes in the proposed rule, the largest quantified cost savings come from amendment A, relating to so-called “farm taps,” gas service lines that are connected to a gathering or transmission line. It is fitting that the Administration chose to list this amendment first. The blossoming of hydraulic fracturing (fracking) necessitates a continual increase in the amount of individual lines. Since production rates per well are significantly lower for fracking than traditional oil drilling, producers are required to continually frack new wells and connect them to the main transmission system. Granting operators the flexibility to manage inspection through multiple routes helps them to better manage both compliance costs and environmental risks. This amendment will especially benefit smaller operations that are burdened by the high cost of compliance upon startup. Furthermore, given the increased regulatory focus on transmission line connections, PHMSA should seriously consider establishing a regulatory definition for “farm tap.”

It is astounding that it has taken the Administration this long to consider adjusting the monetary damage threshold for reporting incidents as it intends to do with amendment D. This action is simply good housekeeping. Requiring operators to report incidence based in 1984 dollars adds unnecessary confusion to a process that should be as streamlined as possible. Incident reporting should have been indexed to inflation when it began. Although eventually eliminating the monetary damage threshold entirely would be ideal, the PHMSA should include this amendment in the final rule. In order to ensure that this is a permanent solution, the Administration should go one step further and mandate a biennial update rather than merely intending to periodically update the threshold.

The remaining amendments mentioned above all present opportunities for the PHMSA to reduce compliance costs for operators and workers. Amendment F, which allows extra time between atmospheric corrosion inspections of onshore above-ground pipelines unless the operator has previous issues, reduces the costs for both operators and inspectors. Amendment I, which extends the time period between which a welder must have their work inspected in a particular process to seven-and-a-half months, will allow welders -- a lot of whom are self-employed freelancers -- greater flexibility in their trade.

The historic growth in the natural gas industry has brought America closer to energy security and independence. It is positive to see regulators supporting that growth with deregulation. All told, this proposed rule presents the Administration with a prime opportunity to



make good on the promises of their new mission statement. Where it makes sense, the PHMSA should continue to deregulate pipeline safety to remove unnecessary burdens on natural gas operations.

Respectfully submitted,

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