

Chapter 5

Pipeline Safety: An Overview of the Legal Framework, the Regulation of Gas Gathering, and How Current and Future Regulation May Affect Producers

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§ 5.01. Introduction.

The U.S. Department of Transportation’s (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA), in partnership with the states, administers a national pipeline safety regulatory program for gas and hazardous liquid pipelines. This chapter reviews the basic legal framework for pipeline safety, discusses the current regulations for gas gathering pipelines, potential changes to these regulations, and analyzes how existing and potential gathering regulations may impact upstream producers.

§ 5.02. Pipeline Safety Legal Framework.

[1] — The Pipeline Safety Act.

The Pipeline Safety Act (PSA) provides the DOT with the authority to develop and implement a national pipeline safety regulatory program for gas and hazardous liquid pipelines.¹ The purpose of the PSA is to “provide adequate protection against risks to life and property posed by pipeline transportation and pipeline facilities by improving the regulatory and enforcement authority of the Secretary of Transportation.”² The Secretary of Transportation has delegated all of his authority under the PSA to the Administrator of the Pipeline and Hazardous Materials Safety Administration.³ PHMSA has developed safety standards that apply to the owners and operators of gas and hazardous liquid pipelines, and certain

¹ See 49 U.S.C. § 60101 (2006 & Supp. IV 2010), as amended by the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Pub. L. No. 112-90, 125 Stat. 1904 (“2011 Act”).

² 49 U.S.C. §§ 60102(a)(1).

³ See 49 C.F.R. § 1.97 (2012). For ease of reference, this chapter refers to PHMSA and all of its predecessor agencies, including the Research and Special Programs Administration