

COMMITTEE AMENDMENT

The committee amendment (1) authorizes the appropriation of \$2 million for fiscal year 1975 and \$2.85 million for fiscal year 1976, to carry out the provisions of the Natural Gas Pipeline Safety Act of 1968 (hereinafter referred to as the "Act"), other than the provisions of section 5(c) relating to grants-in-aid to the States, and (2) authorizes the appropriation of \$1.8 million for fiscal year 1975 and \$2.5 million for fiscal year 1976 for grants-in-aid to the States of up to 50 per cent of their costs in carrying out the provisions of section 5 of the Act.

H.R. 15205 was introduced at the request of the Administration. As introduced, it would have provided open-end authorization of appropriations to carry out the provisions of the Act other than the grants-in-aid provisions and for grants-in-aid to the States, would have authorized \$1.2 million for fiscal year 1975, \$1.45 million for fiscal year 1976, \$1.7 million for fiscal year 1977, and \$1.95 million for fiscal year 1978.

Your committee has cut back the authorization of funds to carry out to two fiscal years because of its serious concern about the operation of the program under the Act. For example, during fiscal year 1974, only 25 persons were employed in the Office of Pipeline Safety, (hereafter referred to as "OPS"), 22 in Washington, D.C. and 3 in its field office in Houston, Texas.

These are fewer persons than were employed by the OPS in any of the three preceding fiscal years. The State of New York has ~~more than~~ 30 persons engaged in gas pipeline safety activities! At present the OPS is only devoting about 2 man years per year to field inspection activities. Your committee intends to carry out oversight of the program under the act through its Subcommittee on Communications and Power.

It should be noted, however, that for grants-in-aid to the States, the committee amendment would increase the authorization of appropriations for each of the two fiscal years over the amounts requested by the Administration. This has been done because the amounts requested by the Administration would be insufficient to pay the States up to 50 per cent of their projected costs (as provided in section 5(c)(1) of the Act) of carrying out pipeline safety activities under the Act.

COMMITTEE ACTION

Hearings were held on H.R. 15205 before your committee's Subcommittee on Communications and Power on June 13, 1974. Statements were received at the hearing from representatives of the Department of Transportation. Also heard were representatives of the interstate gas pipeline company whose interstate gas pipeline, located in Fauquier County, Virginia, broke and exploded on Sunday, June 9, 1974.

On July 15, 1974, the Subcommittee amended the bill as herein reported and reported it to the full committee by a unanimous voice vote.

Your committee ordered the bill reported to the House by a unanimous voice vote on August 15, 1974.

BACKGROUND

The Natural Gas Pipeline Safety Act of 1968 was enacted into law on August 12, 1968. Administration of the Act is vested in the Secretary of Transportation who has delegated his responsibility to the OPS.

The Act provides for Federal safety standards for those facilities utilized in the transportation of natural and other gases by pipeline, or its storage, in or affecting interstate or foreign commerce. This involves more than 2,100 operators of approximately 1.4 million miles of gas pipeline system - some 70,000 miles of gathering lines, 260,000 miles of transmission pipelines, and 650,000 miles of distribution mains plus an additional 400,000 miles of gas service lines. These pipeline facilities transport more than a third of the nation's energy needs while serving approximately 43.7 million customers. Such Federal safety standards may apply to the design, installation, inspection, testing, construction, extension, operation, replacement and maintenance of gas pipeline facilities. The Act creates exclusive Federal safety authority over gas pipeline systems, generally described as interstate systems, which are subject to the jurisdiction

of the Federal Power Commission under the Natural Gas Act. In addition, the Act gives the Secretary overall responsibility for the safety regulation of intrastate gas pipeline systems covered by the Act.

A State may assume responsibility for enforcing safety standards with respect to intrastate facilities through the filing of a certification under Section 5(a) of the Act, or may enter into an agreement with the Secretary under section 5(b) to assist in the enforcement of the Federal safety standards. A certifying State agency may adopt additional, or more stringent, standards applicable to intrastate pipeline facilities, which are not incompatible with the Federal standards.

Of the 52 jurisdictions to which the Act applies (the 50 States, the District of Columbia, and Puerto Rico), 45 have filed a certification under section 5(a), and 6 have agreements with the Secretary under section 5(b). New Jersey does not participate in the program under the Act.

Section 5(c) of the Act provides that the Secretary shall make grants-in-aid of up to 50 per cent of the cost of personnel, equipment, and activities of a State agency which are reasonably required to carry out a safety program under a certification pursuant to section 5(a) of an agreement pursuant to section 5(b) or which are reasonably required to act as an agent of the Secretary for the purpose of enforcing the Act with respect to interstate gas pipeline facilities. At present, 22 States

act as agents of the Secretary for such purpose.