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New pipeline safety guidance's voluntary status depends on adoption

By Sarah Smith

Pipeline operators should embrace [voluntary safety management systems guidance](#) if they do not want to see the recommended practice become regulation, industry regulators said recently.

The voluntary standard [calls on operators](#) to develop a system of [continuous](#) improvement that incorporates effectively all aspects of their business that could affect safety. The recommended practice, written by a diverse stakeholder team under the American Petroleum Institute at the behest of the National Transportation Safety Board, was finalized in July.

RP 1173, as the [safety management systems](#) practice is known, "has the potential to impact pipeline safety more than anything else," Massoud Tahamtani, the Virginia State Corporation Commission's director of utility and railroad safety, said recently. However, that can only be true if companies and their regulators fully embrace the standard, Tahamtani told attendees at a National Association of Pipeline Safety Representatives annual [meeting](#) in Tempe, Ariz.

"[The U.S. Pipeline and Hazardous Materials Safety Administration] expects operators to also adopt this and implement it. At this point, they're not talking about this becoming a part of a rule, but I can tell you ... that if we have another big [incident], this is going to be the first one the NTSB is going to go after," Tahamtani said, implying that the NTSB could tell PHMSA to move the standard from recommended practice to regulation.

Jeff Wiese, PHMSA's associate administrator for pipeline safety, did not contradict Tahamtani's assertion, although Wiese highlighted federal and state regulators' role in helping make the voluntary RP 1173 an effective tool — even if it is not an enforceable standard.

"As long as it stays voluntary, the industry needs to step up to the plate and show us they can handle it in a voluntary sense," Wiese, who participated in the RP 1173 development committee, said, urging state regulators to consistently help operators figure out how best to apply RP 1173. "If we're in a voluntary status and we [as regulators] let it go dormant, then shame on us."

Tahamtani, who also participated in the RP 1173 development process, said in Virginia he is discussing the practice with local operators, encouraging them to do gap analyses of their systems and telling the companies to expect to discuss their findings and their plans within the year. Further, he said he is incorporating safety management systems into compliance orders associated with company violations.

Steve Allen, the Indiana Utility Regulatory Commission's pipeline safety director, said this is a tactic he has taken in his state. One Indiana operator had "a lot of systemic issues," but he worked with the company on safety management systems and improved the company's track record materially, Allen said.

"I think it's a great success story, and we're going to try to replicate it as much as possible," Allen, who is also NAPS's vice chairman, said at the [meeting](#). "I think that SMS is going to provide us an opportunity for a paradigm shift. If you keep doing what you've been doing, you're going to keep getting what you've been getting. Collaborative approach is exactly what is needed here."

In addition to API's role in the development of the standard, major pipeline associations — including the Association of Oil Pipelines, the Interstate Natural Gas Association of America and the American Gas Association — have actively thrown their support behind RP 1173, Tahamtani said. API and AOPL have developed a long-range plan for implementation, while AGA formed a discussion group and is working on a volunteer pilot program and INGAA pledged its commitment to safety management systems and safety culture, Tahamtani noted.

The NTSB did not intend for safety management systems to become a rule, which is why they tasked API — rather than PHMSA, which has rulemaking and enforcement authority — with the standard's development, Robert Hall, director of the NTSB's Office of Railroad, Pipeline and Hazardous Materials Investigations, said at the NAPS meeting.

"We are very hopeful that this will get wide adoption. We think it's one thing that will help take this industry to even safer areas," Hall said.

Some state regulators, though, expressed concerns that the voluntary nature of the recommended practice could make it hard for the government to make operators implement safety management systems.

"If the NTSB stands behind it and PHMSA stands behind it, why not put it into regulation and make it enforceable?" Jason Montoya, the New Mexico Public Regulation Commission's pipeline safety bureau chief, asked during the meeting.

Hall pointed to successful voluntary safety management systems in the chemical, refining and aviation sectors, noting that back-and-forth collaboration between the industry participants and regulators had been essential in those instances. He emphasized that there are advantages to allowing companies and their regulators to work through the best ways of implementing such an all-encompassing standard without putting it into prescriptive form. Wiese agreed, adding that enforcement would likely be an overwhelming task for regulators at this stage.

"I just don't think this is something you flip a switch on and everybody's ready to adopt it. It's going to take some time," Wiese said at the meeting.

Hall also noted that Canadian rulemakers created safety management systems regulation — rather than voluntary standards — for the nation's rail industry, but the rules [did not prevent](#) the major [train derailment](#) in Lac-Mégantic that resulted in 47 deaths and the destruction of 40 buildings and 53 vehicles.

"[Safety management systems] failed the way it was implemented as a regulation," Hall said. "We certainly have a lot of successes [with safety management systems] outside the regulatory environment, and I think we should try to duplicate that."

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