Authority: 440 U.S.C. 3506(c); delegation of authority at 49 CFR 1.50.

Dated: September 19, 1996.

L. Robert Shelton,

Acting Associate Administrator for Safety Performance Standards.

[FR Doc. 96–27164 Filed 10–22–96; 8:45 am]

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Research and Special Programs Administration

Pipeline Safety User Fee Assessment Methodology

AGENCY: Research and Special Programs Administration, DOT.

ACTION: Notice of public meeting.

SUMMARY: The Research and Special Programs Administration (RSPA) invites representatives of industry, state and local government, and the public to an open meeting on pipeline safety user fee assessments. The purpose of this meeting is to gather information on the present assessment methods used by RSPA in determining pipeline safety user fees and to explore a broad range of other approaches for assessing user fees.

DATES: The meeting will be held on November 22, 1996, 9:00 a.m.–4:00 p.m.

ADDRESSES: The meeting will be held at the U.S. Department of Transportation 400 Seventh Street, S.W., Washington, D.C. Room 6200–04.

FOR FURTHER INFORMATION CONTACT: Marvin Fell, (202) 366–6205, U.S. Department of Transportation, RSPA 400 Seventh St., S.W., Washington, D.C. 20590 regarding the subject matter of this notice, or the Dockets Unit (202) 366–5046, regarding copies of this notice or other material referenced in this notice.

SUPPLEMENTARY INFORMATION: The Accountable Pipeline Safety and Partnership Act of 1996 Section 60127 requires that, ''[t]he Secretary of Transportation shall transmit to the Congress a report analyzing the present assessment of pipeline safety user fees solely on the basis of mileage to determine whether—

(1) That measure of the resources of the Department of Transportation is the most appropriate measure of the resources used by the Department of Transportation in the regulation of pipeline transportation; or

(2) Another basis of assessment would be a more appropriate measure of those resources:

(b) Considerations—In making the report, the Secretary shall consider a wide range of assessment factors and suggestions and comments from the public.''

Background

Under 49 U.S.C. 60103, gas and hazardous liquid pipeline operators pay annual user fees to fund the U.S. Department of Transportation's Pipeline Safety program. The Act provides that a fee shall be imposed on each person operating a pipeline transmission facility, a liquefied natural gas facility, or a hazardous liquid pipeline facility to which chapter 601 of 49 U.S.C. applies. The Act requires the Secretary of Transportation to establish a schedule of fees for pipeline usage that bear a reasonable relationship to the miles of pipeline, volume-miles, revenues or an appropriate combination thereof. In establishing the schedule, the Secretary must take into account the allocation of Departmental resources.

After discussions with the major trade associations representing these industries a consensus was reached that pipeline mileage provides the most reasonable basis for determining fees to be paid by operators of gas transmission lines and hazardous liquid pipeline facilities. For LNG facilities it was determined that storage capacity was the appropriate basis for a fee.

In order to reduce its administrative burden, RSPA decided to exempt small operators from the payment of user fees so that those operators would not be unduly burdened. Operators with less than 10 miles of gas transmission lines and 30 miles of hazardous liquid pipelines would therefore be exempt. Further, it was concluded that charging fees to local distribution companies (LDCs) would be administratively burdensome because many LDCs are small operators. The imposition of such fees could result in a double counting against LDCs because transmission operators would likely pass along the costs of these fees to LDCs as a cost of doing business.

In choosing to use pipeline mileage (and facility capacity in the case of LNG) RSPA chose an assessment method that minimizes the administrative expenses of collection. However, this method of assessment may not reflect how RSPA allocates its resources in regulating pipelines. For example, new construction inspections are not factored into mileage-based user fees. Presently, companies are charged the same fee regardless of accident history, although RSPA resources may be expended disproportionately on companies with poor safety records. The questions below address some of the issues concerning the present assessment methodology:

(1) Should RSPA charge a fee for new construction?

(2) Should RSPA charge a fee on LDCs to recognize that some of RSPA's resources are devoted to regulating these operators?

(3) Should RSPA consider accident history when computing fees?

(4) Should other risk based measures be considered?

(5) Should volume be considered in the fee calculation?

(6) Should throughput, i.e., volume-mileage, be considered?

(7) Should diameter of the pipeline be considered a cost factor?

(8) Should location be a factor in determining the user fee? Does a pipeline in a densely populated area or an environmentally sensitive area require greater oversight than a pipeline in a remote area that is not environmentally sensitive?

(9) Will RSPA need to require an annual report from liquid operators, which currently do not provide such reports, to collect information necessary for an alternative to the present assessment method? What could this mean to the administrative costs and paperwork burden of these operators?

RSPA seeks comments on these issues and any other concerns the public has on the assessment of user fees, including any ideas to improve the efficiency and cost effectiveness of collection.

Interested persons are invited to attend the meeting and present oral or written statements on the matters set for the meeting. Any person who wishes to speak should notify Marvin Fell at the above address. Please estimate the time that will be required for your presentation. RSPA reserves the right to limit the time of each speaker, if necessary, to ensure that everyone who requests an opportunity to speak is allocated sufficient time. Interested parties that are not scheduled to comment will have an opportunity to comment after all presentations are completed with the approval of the meeting officer.

Issued in Washington, D.C., on October 17, 1996.

Richard B. Felder,

Associate Administrator for Pipeline Safety.

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Toward A Metric America—A Dialogue Open to the Public

AGENCY: Research and Special Programs Administration, DOT.

ACTION: Notice of public meeting.