

**Industry Preliminary Reaction to Protocols
OQ Public Meeting
Houston, Texas
February 27, 2003**

“Pipeline Safety” Industry is unified in its continued commitment to pipeline safety and integrity. We will continue with this commitment while working with the regulatory community and stakeholders in developing effective protocols and the national consensus-based standard.

Protocols as “Enforcement Documents”

We acknowledge the regulatory community’s stated intent that any enforcement actions will be tied explicitly to the provision(s) of the rule that have been violated. We further acknowledge that the protocols will be used as inspector guidance on how to investigate the areas that regulators may need to understand. This approach will permit the regulator to properly evaluate the adequacy of operator practices needed to comply with provisions of the rule.

Focus of First Round of Inspections We agree with the stated regulatory position that the first round of inspections, mandated by Congress will occur prior to December 17, 2005, and should focus on explicit provisions of the rule and improvements to pipeline safety.

National Consensus Standard

We continue to support the development of a national consensus standard. We expect this standard to be developed and maintained under the auspices of the American Society of Mechanical Engineers (ASME). We further expect that this standard will address all aspects of operator qualification related to safety and integrity of the pipeline system. Broad regulatory, industry, and public participation in this effort are needed. We believe that such a standard could be incorporated in whole by reference or, alternatively, in part, as the basis for a supplementary rule making. Further, we support the idea of incorporating in the consensus standard both substantive prescriptive requirements well as and alternative performance-based requirements for operator’s implementation of OQ. We agree that a target date of June 2004 for development of the consensus standard is appropriate.

Protocols

Industry has reorganized the Protocols to enhance operator's understanding of the regulatory community's requirements and expectations (i.e. into categories which better align with the rule language), to better reflect the requirements of the rule, and to better address pipeline safety. Further, Industry has identified duplicative protocols and is recommending they be deleted.

Industry is committed to providing the regulatory community with complete Protocols by March 10, 2003. This completed set will fully encompass Industry's perspective. Also, by March 10, 2003, Industry will provide the regulatory community with both a comprehensive list of definitions and a response to the regulatory community's response of February 26, 2003.

For clarification, Industry's reorganized Protocols are formatted by overall topics which contribute to better operator's understanding of the regulator's expectations. Further, each protocol is delineated with a two-letter designation: OR, meaning the protocol is deemed to be outside the rule; WP, meaning the wording needs to be clarified; ST, meaning the protocol would be better housed within a consensus standard; or, OK, meaning Industry may not agree that the protocol is within the scope of the rule but that the inclusion of the protocol is acceptable to Industry. No delineation indicates Industry agrees that the protocol is within the scope of the rule.