



DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2021-0050]

Pipeline Safety: Recission of Advisory Bulletin on Section 114 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA),

Department of Transportation (DOT).

ACTION: Notice; recission of advisory bulletin.

SUMMARY: PHMSA is publishing this notice to rescind an advisory bulletin and related statements of policy and applicability concerning the requirements in section 114 of the “Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020.”

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION

On December 27, 2020, the President signed the “Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020” (2020 PIPES Act; Pub. L. No. 116-260) into law. The 2020 PIPES Act amended certain provisions in the Pipeline Safety Act, the Federal law that authorizes the Pipeline and Hazardous Materials Safety Administration (PHMSA) to regulate the safety of gas pipeline facilities, underground natural gas storage facilities, liquefied natural gas (LNG) facilities, and carbon dioxide and hazardous liquid pipeline facilities.¹ One of those

¹ See 49 U.S.C. §§ 60101–60143.

amendments applied to 49 U.S.C. 60108, a provision that establishes certain requirements for the inspection and maintenance of pipeline facilities.²

Specifically, section 114(a) of the 2020 PIPES Act amended 49 U.S.C. 60108(a)(2) by, among other things, adding to the list of factors that PHMSA and State authorities are required to consider in reviewing the adequacy of inspection and maintenance plans. The new factors included “the extent to which the plan will contribute to . . . eliminating hazardous leaks and minimizing releases of natural gas from pipeline facilities,”³ as well as “the extent to which the plan addresses the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline.”⁴

In addition to adding these new factors, section 114(a) of the 2020 PIPES Act amended the requirements in 49 U.S.C. 60108(a) to include a provision directing PHMSA and State authorities to review the adequacy of inspection and maintenance plans at certain intervals.⁵ Section 114(a) required an initial adequacy review to be conducted within 2 years of the enactment of the 2020 PIPES Act, or by no later than December 27, 2022, and provided that subsequent reviews had to be conducted “not less frequently than once every 5 years thereafter . . .”⁶ Section 114(a) also authorized PHMSA to initiate an enforcement proceeding if “a plan reviewed . . . does not comply with the requirements” of the Pipeline Safety Act or Pipeline Safety Regulations, “has not been adequately implemented, is inadequate for the safe operation of a pipeline facility, or is otherwise inadequate . . .”⁷

² Congress adopted the original version of the statute prescribing inspection and maintenance requirements for gas pipeline facilities in the Natural Gas Pipeline Safety Act of 1968, Pub. L. No. 90-481, § 11, 82 Stat. 720, 726–27, and added a statute prescribing comparable requirements for hazardous liquid pipeline facilities in the Hazardous Liquid Pipeline Safety Act of 1979, Pub. L. No. 96-129, § 210, 93 Stat. 989, 1011–12. As part of the 1994 recodification of Title 49 of the U.S. Code, Congress consolidated these statutory requirements into a single provision in section 60108. *See* Pub. L. No. 103–272.

³ 49 U.S.C. § 60108(a)(2)(D)(ii).

⁴ *Id.* at § 60108(a)(2)(E).

⁵ *See id.* at § 60108(a)(3).

⁶ 49 U.S.C. 60108(a)(3)(A).

⁷ *Id.* at § 60108(a)(3)(C).

Section 114(b) of the 2020 PIPES Act included a separate mandate directing operators to make certain updates to their inspection and maintenance plans.⁸ In particular, section 114(b) provided that “each pipeline operator shall update the inspection and maintenance plan prepared by the operator under section 60108(a) of [T]itle 49, United States Code, to address the elements described in the amendments to that section made by subsection (a) [of section 114 of the 2020 PIPES Act].”⁹ In other words, the mandate directed operators to update their inspection and maintenance plans to address the new factors that Congress added in section 114(a) of the 2020 PIPES Act by no later than December 27, 2021.

Finally, section 114 of the 2020 PIPES Act contained two additional mandates directing the Comptroller General of the United States and PHMSA to prepare certain reports.¹⁰ In section 114(c), Congress instructed the Comptroller General to “conduct a study to evaluate the procedures used by [PHMSA] and States in reviewing plans prepared by pipeline operators under section 60108(a) of [T]itle 49, United States Code, pursuant to [section 114(b) of the 2020 PIPES Act] in minimizing releases of natural gas from pipeline facilities.”¹¹ Congress further instructed the Comptroller General to submit a report to the committees of jurisdiction “[n]ot later than 1 year after [PHMSA’s] review of the operator plans prepared under section 60108(a) of [T]itle 49, United States Code . . . that,” in relevant part, “describes the results of the study” and “provides recommendations for how to further minimize releases of natural gas from pipeline facilities without compromising pipeline safety based on observations and information obtained through the study.”¹² In section 114(d), Congress instructed PHMSA to submit a separate report to the committees of jurisdiction by no later than June 21, 2022, addressing “the best available technologies or practices to prevent or minimize, without compromising pipeline

⁸ 49 U.S.C. § 60108 note.

⁹ *Id.*

¹⁰ *See* 2020 Pipes Act, Pub. L. No. 116-260, § 114(c)–(d), 134 Stat. 1182, 2231–32.

¹¹ *Id.* at § 114(c)(1) 134 Stat. at 2231–32.

¹² *Id.* at § 114(c)(2)(A)–(B), 134 Stat. at 2231–32.

safety,” certain releases of natural gas, as well as “pipeline facility designs that, without compromising pipeline safety, mitigate the need to intentionally vent natural gas.”¹³

On June 10, 2021, PHMSA published an advisory bulletin (ADB-2021-01) addressing the requirements in section 114 of the 2020 PIPES Act.¹⁴ Stating that the mandate in section 114(b) was a “self-executing” provision, PHMSA asserted in ADB-2021-01 that the obligation to update inspection and maintenance plans by December 21, 2021, applied to operators of all PHMSA-jurisdictional pipeline facilities, including those not used to transport natural gas.¹⁵ PHMSA also identified a list of items that “[o]perators need[ed] to consider as they update their plans to comply with section 114.”¹⁶ That list of items included, among other things, “the steps taken to prevent and mitigate both unintentional, fugitive emissions, as well as intentional, vented emissions.”¹⁷ PHMSA reiterated the statements made in ADB-2021-01 in a series of subsequent public statements, including during an informational webinar for stakeholders on the implementation of section 114(b) as well as in a rulemaking proceeding initiated to address the requirements in section 113 of the 2020 PIPES Act, “Gas Pipeline Leak Detection and Repair.”¹⁸

¹³ *Id.* at § 114(d)(A)(i)–(iii), 134 Stat. at 2231–32.

¹⁴ *See* “Pipeline Safety: Statutory Mandate to Update Inspection and Maintenance Plans to Address Eliminating Hazardous Leaks and Minimizing Releases of Natural Gas from Pipeline Facilities,” 86 FR 31002, 31002–03 (June 10, 2021).

¹⁵ *See* 86 FR at 31002.

¹⁶ *Id.* at 31003.

¹⁷ 86 FR at 31003. PHMSA defined “fugitive emissions” as “any unintentional leaks from equipment such as pipelines, flanges, valves, meter sets, or other equipment.” *Id.* PHMSA defined “vented emissions” as “any release of natural gas to the atmosphere due to equipment design or operations and maintenance procedures.” *Id.*

¹⁸ *See, e.g.*, “Pipeline Safety: Informational Webinar Addressing Inspection of Operators’ Plans to Eliminate Hazardous Leaks, Minimize Releases of Methane, and Remediate or Replace Leak-Prone Pipe,” 87 FR 4327, 4328–28 (Jan. 27, 2022); PHMSA, “Webinar Addressing Inspection of Operators’ Plans to Eliminate Hazardous Leaks, Minimize Releases of Methane & Remediate/Replace Leak-Prone Pipe,” at minute 20:00 (Feb. 17, 2022), <https://primis-meetings.phmsa.dot.gov/archive/Recording%20of%20Section%20114%20Webinar.mp4>; “Pipeline Safety: Gas Pipeline Leak Detection and Repair,” 88 FR 31890, 31952 (proposed May 18, 2023). A since-withdrawn, unofficial final rule in the Leak Detection and Repair rulemaking even went a step further, contending that section 114(b) represents a continuing obligation attaching to any newly designated “regulated gathering line” subject to PHMSA safety regulations going forward to ensure their inspection and maintenance plans accounted for the factors identified in section 114(a)(1)(A). *See* PHMSA, “Final Rule: Gas Pipeline Leak Detection and Repair” at 732–38 (Jan. 17, 2025), <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2025-01/PHMSA%20Final%20Rule%20-%20Gas%20Pipeline%20Leak%20Detection%20and%20Repair%20-%20As%20submitted.pdf> (withdrawn on Jan. 21, 2025, before formal publication in the Federal Register).

On June 3, 2024, the U.S. Government Accountability Office (GAO) completed the report required by section 114(c) of the 2020 PIPES Act.¹⁹ In that report, the GAO described the process that PHMSA and State authorities used in reviewing the updates that pipeline operators made to their inspection and maintenance plans to address the requirements in section 114(b).²⁰ The GAO explained that, as part of that process, PHMSA notified “over 4,200 operators of all regulated pipeline facilities—natural gas and hazardous liquid systems—as well as liquefied natural gas plants and underground natural gas storage facilities” that they had an obligation to update their inspection and maintenance plans under section 114(b), because “PHMSA officials stated that all of these systems could release natural gas, either through transportation or ancillary purposes.”²¹ The GAO further explained that PHMSA’s “initial reviews of pipeline operators’ plans focused on verifying whether operator plans contained detailed, technically supported measures for reducing methane emissions and replacing or remediating leak prone pipes,” and that “[f]or future reviews, PHMSA officials said they intend to develop more detailed inspection questions and, in addition to a records review, they plan to observe operators implementing the procedures contained in their updated plans.”²² The GAO also highlighted the challenges that pipeline operators faced in responding to the requirements in section 114(b) and the challenges that PHMSA and State authorities experienced in reviewing the updated inspection and maintenance plans. The GAO then identified actions that certain stakeholders suggested could be taken to reduce natural gas releases without compromising pipeline safety in the future.²³

On February 19, 2025, the President issued Executive Order (E.O.) 14219, “Ensuring Lawful Governance and Implementing the President’s ‘Department of Government Efficiency’

¹⁹ See GOV’T ACCOUNTABILITY OFFICE, GAO-24-106881, GAS PIPELINES: OVERSIGHT OF OPERATORS’ PLANS TO MINIMIZE METHANE EMISSIONS (2024), <https://www.gao.gov/assets/gao-24-106881.pdf> [hereinafter GAO-24-106881].

²⁰ See GAO-24-106881 at 4-5.

²¹ *Id.* at 5.

²² *Id.*

²³ See *id.* at 6-10.

Deregulatory Initiative.”²⁴ In E.O. 14219, the President directed Federal agencies to review and take appropriate action to rescind or modify existing regulations and guidance documents that, among other things, “are based on anything other than the best reading of the underlying statutory authority[;] . . . impose significant costs upon private parties that are not outweighed by public benefits; . . . [and] impose undue burdens on small business and impede private enterprise and entrepreneurship.”²⁵

On March 11, 2025, the Office of the General Counsel (OGC) at the U.S. Department of Transportation (Department) issued a Memorandum to Secretarial Officers and Heads of Operating Administrations (Guidance Memo) establishing procedures for the review and clearance of guidance documents and articulating certain principles that the Department’s Operating Administrations must follow in preparing such documents.²⁶ One of those principles states that “[i]f [a guidance document] purports to describe, approve, or recommend specific conduct or actions by regulated entities that go beyond what is set forth in the text of relevant statutes and regulations,” the document must “include[] clear and prominent statements declaring (i) that the guidance is not legally binding in its own right and will not be relied upon by the Department as a separate basis for affirmative enforcement action or other administrative penalty, and (ii) that conformity with the guidance document (as distinct from existing statutes and regulations) is voluntary only, and nonconformity will not affect rights and obligations under existing statutes and regulations.”²⁷

RECISSION OF ADB-2021-01

PHMSA has carefully reviewed the criteria in E.O. 14219 and the Guidance Memo and determined that ADB-2021-01 must be rescinded for the following reasons.

²⁴ “Ensuring Lawful Governance and Implementing the President’s ‘Department of Government Efficiency’ Deregulatory Initiative,” 90 FR 10583 (Feb. 19, 2025).

²⁵ 90 FR at 10583.

²⁶ See OFFICE OF GEN. COUNSEL, U.S DEP’T OF TRANSP., MEMORANDUM TO SECRETARIAL OFFICERS AND HEADS OF OPERATING ADMINISTRATIONS: REVIEW AND CLEARANCE OF GUIDANCE DOCUMENTS (Mar. 11, 2025), <https://www.transportation.gov/sites/dot.gov/files/2025-03/Review%20and%20Clearance%20of%20Guidance%20Documents.Cote%20Memo.Signed.03-11-2025.pdf>.

²⁷ *Id.* at 3.

Vented Emissions and Fugitive Emissions

As a threshold matter, the terms “fugitive emissions” and “vented emissions” do not appear in the text of section 114(a) or (b), nor is there any PHMSA statute or regulation that defines either term in the specific way described in ADB-2021-01. Federal agencies do not have the authority to add new terms and definitions to the language of a statute,²⁸ particularly in a guidance document that is supposed to lack the force and effect of law.²⁹ Yet, PHMSA told owners and operators of pipeline facilities in ADB-2021-01 that their inspection and maintenance plans had to address fugitive and vented emissions to comply with section 114(a) and (b).³⁰ PHMSA even used the word “must” repeatedly in characterizing that obligation—indicating that it was part of a binding, legally enforceable duty imposed directly on owners and operators themselves.³¹ Congress did not mention “fugitive emissions” or “vented emissions” at all in section 114(a) or (b), let alone separately define or mandate that owners and operators consider the same in implementing their inspection and maintenance plans. PHMSA’s statements to the contrary in ADB-2021-01 were unnecessary and inconsistent with the interpretive principles laid out in E.O. 14219 and the Guidance Memo.

Pipeline Facilities Not Used to Transport Natural Gas

PHMSA indicated in ADB-2021-01 that the obligation in section 114(b) to update inspection and maintenance plans by December 27, 2021, applied to operators of all pipeline facilities, including those not used to transport natural gas. In adopting that expansive reading, PHMSA failed to properly consider the text, context, structure, and purpose of the governing

²⁸ See *Util. Air Regul. Grp. v. E.P.A.*, 573 U.S. 302, 328 (2014) (“We reaffirm the core administrative-law principle that an agency may not rewrite clear statutory terms to suit its own sense of how the statute should operate.”)

²⁹ See, e.g., *Am. Min. Cong. v. Mine Safety & Health Admin.*, 995 F.2d 1106, 1108–12 (D.C. Cir. 1993).

³⁰ At the very least, PHMSA’s decision to reference “fugitive emissions” and “vented emissions” in ADB-2021-01 warranted further discussion. Congress spoke in familiar terms in section 114—referring to “hazardous leaks” and “releases” of natural gas, phrases that are commonly used in the pipeline safety regulations. See e.g., 49 CFR 191.3 (defining incident to include an “event that involves a release of gas”), § 192.703(c) (requiring prompt repair of “[h]azardous leaks”). PHMSA spoke in unfamiliar terms in ADB-2021-01—referring to “fugitive emissions” and “vented emissions,” phrases that are not used at all in the Pipeline Safety Laws (49 U.S.C. §§ 60101–60143) or pipeline safety regulations—without explanation.

³¹ See *Appalachian Power Co. v. E.P.A.*, 208 F.3d 1015, 1023 (D.C. Cir. 2000) (“At any rate, the entire Guidance, from beginning to end—except the last paragraph—reads like a ukase. It commands, it requires, it orders, it dictates.”).

provisions, all of which support a far more limited view of section 114(b)'s applicability.³²

PHMSA did not acknowledge, for example, that:

- Congress included an express reference to “natural gas” in section 114(a), and only certain pipeline facilities transport “natural gas” as defined in the Pipeline Safety Act, 49 U.S.C. 60101(a)(2), and Pipeline Safety Regulations, 49 CFR 192.3.³³
- Congress included an express reference in section 114(a)(1)(A)(i) to a rulemaking mandate, adopted as part of a companion provision in section 113 of the 2020 PIPES Act,³⁴ that requires PHMSA to prescribe leak detection and repair requirements for certain “gas” pipeline facilities.³⁵
- Congress included several express references to “natural gas” in section 114(c), directing the Comptroller General to prepare a study and submit a report on the implementation of section 114(b).³⁶
- Congress directed PHMSA in section 114(d) to prepare and submit a separate report that also included several express references to “natural gas.”³⁷

PHMSA's failure to properly consider the principles of statutory construction produced a fundamentally flawed understanding of section 114; *i.e.*, one that required operators of pipeline facilities not used to transport “natural gas” to update their inspection and maintenance plans to address criteria that only apply to pipeline facilities used to transport “natural gas.” That view

³² See *e.g.*, *City & Cnty. of S.F., California v. E.P.A.*, 145 S. Ct. 704, 715–18 (2025); *Republic of Hungary v. Simon*, 145 S. Ct. 480, 493–95 (2025); *Bufkin v. Collins*, 145 S. Ct. 728, 737–38 (2025); *Truck Ins. Exch. v. Kaiser Gypsum Co., Inc.*, 602 U.S. 268, 277–81 (2024); *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204, 215–25 (2024).

³³ Certain gases, like hydrogen, do not qualify as “natural gas” under the Pipeline Safety Act and Pipeline Safety Regulations, and hazardous liquids and carbon dioxide in a supercritical state do not qualify as gases at all. See PHMSA, Letter of Interpretation to Mr. Curtis Haverkamp, PI-24-0001 at 2 (May 13, 2024), <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2024-05/Colorado-PI-24-0001-05-10-2024-Part192.12.pdf>; 49 U.S.C. § 60101(a)(4) (defining hazardous liquid) and 49 CFR 195.2 (same); 49 U.S.C. § 60102(i)(1) (defining carbon dioxide) and 49 CFR 195.2 (same). See also 49 CFR 195.1(b)(1) (excluding hazardous liquid transported in a gaseous state).

³⁴ Codified at 49 U.S.C. § 60102(q).

³⁵ See 49 U.S.C. § 60108(a)(2) (“A plan . . . must meet the requirements of any regulations promulgated under section 60102(q) . . .”).

³⁶ See 2020 Pipes Act, Pub. L. No. 116-260, § 114(c)–(d), 134 Stat. 1182, 2231–32.

³⁷ See *id.* at § 114(d), 134 Stat. at 2231–32.

does not reflect the best reading of section 114 and cannot be reconciled with the President’s directive in E.O. 14219 or the principles laid out in the Guidance Memo.

Gathering Lines

PHMSA did not acknowledge certain critical jurisdictional limitations in describing the applicability of section 114 in ADB-2021-01 and other public statements, particularly with respect to gathering lines. Section 60108 of Title 49 U.S.C. applies to “gas pipeline facilities” and “hazardous liquid pipeline facilities,” terms that are defined, respectively, to include pipelines used in “transporting gas” or “transporting hazardous liquid.”³⁸ As a result of a longstanding historical exception, the definitions of “transporting gas” and “transporting hazardous liquid” exclude certain unregulated gathering lines in rural areas that do not qualify as “regulated gathering lines.”³⁹ When Congress enacted the 2020 PIPES Act in December 2020, that exception applied to all onshore gas gathering lines in Class 1 locations, as well as certain petroleum gathering lines in rural areas.⁴⁰ The exception continued to apply to those same gathering lines on December 27, 2021, the deadline Congress prescribed in section 114(b) for updating inspection and maintenance plans to address the new factors in section 114(a)(1)(A).⁴¹

³⁸ See 49 U.S.C. § 60101(a)(3), (a)(5).

³⁹ See *id.* at § 60101(a)(21)(B), (a)(22)(B)(i). Congress included the original version of the exception for rural gas gathering lines in the definition of “[t]ransportation of gas” in the Natural Gas Pipeline Safety Act of 1968, Pub. L. No. 90-481, § 2(3), 82 Stat. 720, 720, and added a comparable exception for rural hazardous liquids gathering lines in the definition of “[t]ransportation of hazardous liquids” in the Hazardous Liquid Pipeline Safety Act of 1979, Pub. L. No. 96-129, § 202(3), 93 Stat. 989, 1003. Congress later modified the exceptions in both definitions to provide PHMSA with the authority to exercise jurisdiction over certain rural gathering lines by regulation in the Pipeline Safety Act of 1992, Pub. L. No. 102-508, § 109(b), § 208(b), 106 Stat. 3289, 3295, 3303–04, as recodified by Pub. L. 103–272, (1994), 108 Stat. 1301, and amended by the Accountable Pipeline Safety and Partnership Act of 1996 Pub. L. No. 104-304, § 12, 110 Stat. 3793, 3802.

⁴⁰ In March 2006, PHMSA issued a final rule exercising the authority provided in the 1992 and 1996 Acts to define and regulate certain gas gathering lines. See “Gas Gathering Line Definition; Alternative Definition for Onshore Lines and New Safety Standards,” 71 FR 13289 (Mar. 15, 2006). In June 2008, PHMSA issued a subsequent final rule exercising the same authority with respect to certain petroleum gathering lines. See “Pipeline Safety: Protecting Unusually Sensitive Areas From Rural Onshore Hazardous Liquid Gathering Lines and Low-Stress Lines,” 73 FR 31634 (June 3, 2008).

⁴¹ PHMSA exercised the authority provided in section 60101(a)(21) and (b) of the Pipeline Safety Act to make certain rural gas gathering lines in Class 1 locations “regulated gathering lines” on May 16, 2022, nearly six months after the deadline prescribed in section 114(b) for updating inspection and maintenance plans. See “Pipeline Safety: Safety of Gas Gathering Pipelines: Extension of Reporting Requirements, Regulation of Large, High-Pressure Lines, and Other Related Amendments,” 86 FR 63266 (Nov. 15, 2021) (Gas Gathering final rule) (establishing a May 16, 2022, effective date for designating certain onshore, rural gas gathering lines as Type C “regulated

Rather than advising owners and operators of these non-jurisdictional gathering lines that they had no obligation to comply with the mandate in section 114(b), PHMSA failed to raise that consideration at all in ADB-2021-01.⁴² More concerning, PHMSA’s February 2022 Webinar materials further muddied the waters by lumping all gas gathering together without distinction in describing the scope of application of section 114.⁴³ Subsequently, the GAO report on PHMSA’s implementation of section 114(b) indicates that PHMSA notified owners and operators of many operators whose lines were not “regulated gathering lines” that they had to comply with the mandate and update their inspection and maintenance plans by the December 27, 2021, deadline.⁴⁴ To the extent that such notifications occurred, PHMSA clearly exceeded the scope of its authority under section 114 and the Pipeline Safety Act.

Significant Costs and Undue Burdens

PHMSA’s reading of section 114 imposed significant costs on the pipeline industry as well as undue burdens on small businesses. As explained above, PHMSA stated in ADB-2021-01 and elsewhere that the mandate in section 114(b) to “update” inspection and maintenance plans applied to owner and operators of all pipeline facilities, regardless of whether those

gathering lines”). In the Gas Gathering final rule, PHMSA also created a separate category of reporting-only rural gas gathering lines using the information collection authority provided in section 60117(c) of the Pipeline Safety Act. *See* 49 U.S.C. § 60117(c) (“The Secretary may require owners and operators of gathering lines to provide the Secretary information pertinent to the Secretary’s ability to make a determination as to whether and to what extent to regulate gathering lines.”). In so doing, PHMSA acknowledged that these reporting-only, or Type R, rural gas gathering lines were not subject to Part 192 safety regulations—meaning they were not “regulated gathering lines” under the Pipeline Safety Act. *See* 86 FR at 63287, 63294.

⁴² In developing the Gas Gathering final rule that exercised jurisdiction over certain gas gathering lines in Class 1 locations, PHMSA did not discuss the application of section 114 to those lines or evaluate the associated compliance costs in preparing the risk assessment required by 49 U.S.C. § 60102(b)(5). *See* PHMSA, Doc. No. PHMSA-2011-0023-0488, “Regulatory Impact Analysis: Pipeline Safety—Expansion of Gas Gathering Regulation Final Rule” (Nov. 2021), https://primis-meetings.phmsa.dot.gov/archive/Leak_Dection_PRIA.pdf.

⁴³ PHMSA, “Presentation: Section 114 PIPES Act of 2020 Informational Webinar” at slide 26 (Feb. 17, 2021), https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2022-03/Section_114_Webinar.pdf.

⁴⁴ *See* GAO-24-106881 at 5. Citing PHMSA annual report data from 2021 and 2022, the GAO report indicates that PHMSA notified 803 operators of 331,803 miles of gas gathering lines that they had an obligation to update their inspection and maintenance plans by December 27, 2021, to comply with section 114(b). *See id.* at 5. PHMSA’s annual report data indicates that there were only 384 operators of 17,169.7 miles of regulated gas gathering lines in 2021, and that there were only 533 operators of 112,374.8 miles of regulated gas gathering lines in 2022. The significant increase in the number of operators and mileage was attributable to the issuance of a final rule in November 2021 that established safety jurisdiction over certain historically non-jurisdictional gas gathering lines in Class 1 locations. *See* Gas Gathering final rule, 86 FR 63266 (Nov. 15, 2021). In achieving the totals described in the GAO report, PHMSA necessarily notified owners and operators of non-jurisdictional gas gathering lines that they had an obligation to comply with section 114(b).

facilities were subject to PHMSA’s jurisdiction under the Pipeline Safety Act or used to transport “natural gas.” That expansive reading of section 114(b) led many stakeholders to believe they had an obligation to do the unnecessary, *i.e.*, update inspection and maintenance plans to address a decades-old federal statutory program that did not even apply, or impossible, *i.e.*, eliminate leaks and minimize releases of a product (natural gas) they did not even transport. PHMSA’s reading of section 114 in the ADB-2021-01 clearly imposed unnecessary costs on these stakeholders, and that burden was particularly heavy for operators of small pipeline systems.⁴⁵

As discussed in more detail below, PHMSA also led many of the same stakeholders to believe that section 114(b) imposed a continuing obligation to ensure that their inspection and maintenance plans address the factors identified in section 114(a)(1)(A) going forward. That reading is not consistent with the language that Congress used in section 114(b)—which included a discrete, near-term compliance deadline as well as reference to “updating” inspection and maintenance plans—evinced a clear intent to create a one-time obligation applicable to gas pipeline operators subject to 49 U.S.C. 60108(a) at the time of enactment of the 2020 PIPES Act. PHMSA’s failure to properly clarify the limited reach of section 114(b) may have already resulted in compliance burdens for any Type C gas gathering operators (category includes many small businesses) who relied on its previous statements. These real-world consequences are precisely the sort of “undue burdens” that the President directed Federal agencies to eliminate in E.O. 14219.

Other Important Distinctions

PHMSA failed to acknowledge other important distinctions in ADB-2021-01. First, PHMSA did not recognize the fundamental differences in the operation of the provisions in sections 60108(a)(1) and (a)(2) of Title 49 U.S.C. Section 60108(a)(1) imposes substantive

⁴⁵ The GAO report provides information demonstrating the extent of these adverse cost impacts. *See* GAO-24-106881 at 5. According to GAO, PHMSA notified 667 operators of nearly 265,000 miles of hazardous liquid pipelines that they had an obligation to comply with the mandate in section 114(b). PHMSA also notified 249 operators of more than 8,600 hazardous liquid breakout tanks of that same obligation. None of these operators transports “natural gas.”

obligations on regulated parties; it requires “[e]ach person owning or operating a gas pipeline facility or hazardous liquid pipeline facility” to, among other things, “carry out a current written plan (including any changes) for inspection and maintenance of each facility used in the transportation and owned or operated by the person,” and to keep “[a] copy of the plan . . . at any office of the person” that PHMSA “considers appropriate.”⁴⁶ Owners and operators of pipeline facilities have an obligation to comply with these provisions and can be subject to sanctions for failing to do so.⁴⁷

Section 60108(a)(2), on the other hand, imposes procedural obligations on regulators; it sets the standards that PHMSA and State authorities are required to follow in determining if an inspection and maintenance plan being carried out pursuant to section 60108(a)(1) is adequate. It also prescribes the criteria that PHMSA and State authorities are required to consider in making those determinations, including the new criteria from section 114(a), *i.e.*, “the extent to which the plan will contribute to . . . eliminating hazardous leaks and minimizing releases of natural gas from pipeline facilities” and “addresses the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline.”⁴⁸ But unlike section 60108(a)(1), owners and operators of pipeline facilities do not have an obligation to comply with the provisions in section 60108(a)(2); that obligation is only imposed on PHMSA and State authorities.

These distinctions bear directly on the enforceability of the provisions in section 114. In section 114(a), Congress amended the procedural requirements that apply to PHMSA and State authorities in reviewing inspection and maintenance plans under section 60108(a)(2), including by adding new criteria to the adequacy factors. In section 114(b), Congress directed owners and

⁴⁶ 49 U.S.C. § 60108(a)(1).

⁴⁷ See *City & Cnty. of S.F. v. U.S. Dept. of Transp.*, 796 F.3d 993, 1000 (9th Cir. 2015) (discussing sanctions that can be imposed on “regulated parties” who commit “substantive violations” of the Pipeline Safety Act).

⁴⁸ 49 U.S.C. § 60108(a)(2)(D)(ii), (E).

operators of pipeline facilities to update their inspection and maintenance plans to address the new criteria by a certain deadline, *i.e.*, December 27, 2021. Congress did not, however, make the adequacy factors in section 60108(a)(2) generally applicable to owners and operators of pipeline facilities; it only imposed a limited, one-time obligation to review and update inspection and maintenance plans to address those factors in section 114(b).

Second, nothing in section 114(b) required PHMSA and State authorities to place greater weight on the new criteria in section 114(a) in evaluating the adequacy of inspection and maintenance plans under section 60108(a)(2). Congress only directed PHMSA and State authorities to “consider” the new criteria, along with the factors that existed prior to the enactment of section 114, in conducting their evaluations. Nor did Congress “compel” PHMSA and State authorities to reach “a certain outcome” in considering any of those factors,⁴⁹ particularly with respect to “fugitive” or “vented” emissions as contemplated by ADB-2021-01, or otherwise limit PHMSA’s ability to exercise its enforcement discretion in conducting adequacy reviews under section 60108(a)(2).⁵⁰ PHMSA remains free—the same as before the enactment of section 114—to decide how the factors should be applied in reviewing inspection and maintenance plans, both as a general matter and in individual cases.

Finally, PHMSA’s reading of section 114 in ADB-2021-01 did not account for the written procedures that operators are already required to prepare and follow in determining the adequacy of inspection and maintenance plans. Various operations and maintenance (O&M) requirements in 49 CFR part 192, the portion of the Code of Federal Regulations that contains the minimum Federal safety standards for gas pipeline facilities, are relevant to eliminating hazardous leaks and minimizing releases of “natural gas” from pipeline facilities.⁵¹ Owners and

⁴⁹ *ExxonMobil Pipeline Co. v. U.S. Dep’t of Transp.*, 867 F.3d 564, 573 (5th Cir. 2017) (explaining, in the context of a requirement in PHMSA’s integrity management regulations for hazardous liquid pipelines, that an obligation to “consider certain factors . . . does not compel a certain outcome”).

⁵⁰ *U.S. v. Texas*, 599 U.S. 670, 678 (2023); *City & Cnty. of S.F.*, 796 F.3d at 1001–03.

⁵¹ See *e.g.*, 49 CFR 192.613(a)–(b) (requiring operators to conduct continuing surveillance and remediation); 49 CFR § 192.703(c) (requiring operators to promptly repairing hazardous leaks); 49 CFR 192.705 (requiring gas transmission line operators to conduct pipeline right-of-way patrols); 49 CFR § 192.706 (requiring gas transmission

operators of gas pipeline facilities already have an obligation under PHMSA regulations to develop and implement written procedures that address those requirements.⁵² Similarly, the integrity management (IM) requirements for gas transmission lines⁵³ and gas distribution lines⁵⁴ include provisions that are relevant to the replacement or remediation of leak-prone pipelines,⁵⁵ and operators have an obligation to develop and implement comprehensive procedures for addressing the same.⁵⁶ In most cases, the adequacy factors in section 60108(a)(2)(A)–(E) should be satisfied if an operator develops and implements comprehensive O&M and IM plans.

PHMSA should have acknowledged as much in the ADB-2021-01.

Conclusion

For these reasons, PHMSA is rescinding ADB-2021-01—and any PHMSA policy statements, letters of interpretation, guidance documents, congressional testimony, and public statements that rely on or assert the reading of the section 114 mandate expressed in ADB-2021-01.⁵⁷ Owners and operators of pipeline facilities should adhere to the text of section 114 of the 2020 PIPES Act and section 60108(a) of the Pipeline Safety Act in developing and implementing their inspection and maintenance plans. PHMSA and State authorities should do the same in considering the factors in section 60108(a)(2) and in exercising their inherent enforcement discretion to decide whether an operator’s inspection and maintenance plan is adequate.

line operators to perform leak surveys); 49 CFR 192.711–719 (requiring gas transmission line operators to perform pipeline repairs); 49 CFR 192.721 (requiring gas distribution operators to conduct patrols); 49 CFR 192.723 (requiring gas distribution operators to perform leak surveys); 49 CFR 192.9(c) (requiring Type A gathering line operators to comply with requirements for gas transmission lines, subject to certain exceptions); 49 CFR § 192.9(d)(8), (e)(1)(vii) (requiring operators of Type B and C gathering lines to conduct leak surveys, subject to certain exceptions).

⁵² See generally 49 CFR § 192.605.

⁵³ See generally 49 CFR Part 192 Subpart O.

⁵⁴ See generally 49 CFR Part 192 Subpart P.

⁵⁵ See e.g., 49 CFR §§ 192.917, 192.935, 192.1007.

⁵⁶ See, e.g., 49 CFR §§ 192.907, 192.1007.

⁵⁷ See e.g., PHMSA, Letter of Interpretation to Mr. Todd Westcott, PI-23-0011 (Apr. 26, 2024), <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2024-04/Paradox-Pipeline-PI-23-0011-04-26-2024-Part192.9.pdf>. PHMSA also advanced its flawed understanding of section 114 throughout its rulemaking on leak detection and repair.

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1.97.

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Acting Administrator.

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