



DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

49 CFR Part 192

[Docket No. PHMSA-2025-0112]

RIN 2137-AF82

Pipeline Safety: Exception for In-Plant Piping Systems

ACTION: Notice of proposed rulemaking (NPRM).

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), Department of Transportation (DOT).

SUMMARY: This NPRM proposes to codify an exception for in-plant piping systems into the gas pipeline safety regulations. The proposed exception is consistent with prior guidance and a similar provision in the hazardous liquid pipeline safety regulations.

DATES: Comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: You may submit comments identified by the Docket Number PHMSA-2025-0112 using any of the following methods:

E-Gov Web: <https://www.regulations.gov>. This site allows the public to enter comments on any Federal Register notice issued by any agency. Follow the online instructions for submitting comments.

Mail: Docket Management System: U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building Ground Floor, Room W12-140, Washington, D.C. 20590-0001.

Hand Delivery: U.S. DOT Docket Management System: West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Fax: 1-202-493-2251.

For commenting instructions and additional information about commenting, see

SUPPLEMENTARY INFORMATION.

FOR FURTHER INFORMATION CONTACT: Sayler Palabrica, Transportation Specialist,

1200 New Jersey Avenue, SE Washington, D.C. 20590, 202-744-0825,

sayler.palabrica@dot.gov.

SUPPLEMENTARY INFORMATION:

I. GENERAL DISCUSSION:

PHMSA's regulations at 49 CFR part 195 for hazardous liquid and carbon dioxide pipelines provide an explicit exception for "in-plant piping systems" at certain facilities. 49 CFR 195.1(b)(8); 49 U.S.C. 60101(a)(22)(B)(ii)-(iii). PHMSA's regulations at 49 CFR part 192 for gas pipelines do not explicitly recognize a similar exception, although PHMSA has often applied the same principles in evaluating the regulatory status of in-plant piping systems at gas processing, manufacturing, and industrial facilities (PI-09-0020 (Aug. 11, 2010); PI-15-0002 (Apr. 2, 2015); PI-18-0012 (Apr. 29, 2019); PI-22-0007 (Jul. 7, 2022)).

PHMSA has also acknowledged that in-plant piping systems are subject to regulation under other Federal or State programs, such as the Occupational Safety and Health Administration's Process Safety Management regulations in 29 CFR 1910.119, and that these regulatory programs can provide a comparable or equivalent level of safety to the requirements in parts 192 and 195. PHMSA has further recognized that applying overlapping regulatory programs to in-plant piping systems often results in uncertainty and duplicative or contradictory compliance obligations (85 FR 70124 (Nov. 4, 2020); Docket No. PHMSA-2019-0199).

In addition, stakeholders have recently submitted comments emphasizing that the absence of explicit exception for in-plant piping systems in part 192 imposes undue burdens on owners and operators of gas pipeline facilities (90 FR 14593 (Apr. 3, 2025); Docket No. DOT-OST-2025-0026). They have asked PHMSA to address that issue by codifying such an exception

consistent with its prior interpretations and the comparable provisions in part 195 (DOT-OST-2025-0026-0830 (May 5, 2025)).

PHMSA agrees with the commenters and is proposing to add an exception to § 192.1(b) for in-plant piping systems. PHMSA's proposal includes a definition for in-plant piping system that aligns with the provisions in part 195, but which establishes a clear point of demarcation between in-plant piping systems and transportation-related pipelines based on prior interpretations. Specifically, PHMSA is proposing to clarify that the point of demarcation for in-plant piping is the inlet of the pressure control device if the pipeline is moving product away from plant grounds, the outlet of the pressure control device if the pipeline is supplying the plant, or, if there is no such device on plant grounds, the plant boundary.¹ By including this clarification, PHMSA intends to minimize the need to reclassify existing facilities among operators that were applying that historical understanding on the boundary between in-plant piping and regulated pipeline facilities.

PHMSA intends to apply its prior interpretations, whether issued in the context of gas or hazardous liquid pipelines, to the proposed definition of "in-plant piping systems" in § 192.3, including in determining the status of in-plant pipeline systems that cross a single public throughfare (e.g., a public road or rail line) (59 FR 33388, 33389 (Jun. 28, 1994); PI-19-0017 (Jun. 8, 2021)). However, PHMSA seeks comments on whether those interpretations should be codified in the text of part 192.

Commenting

Instructions: Please include the docket number PHMSA-2025-0112 at the beginning of your comments. If you submit your comments by mail, submit two copies. If you wish to receive confirmation that PHMSA received your comments, include a self-addressed stamped postcard. Internet users may submit comments at <https://www.regulations.gov>.

¹ PHMSA Letter of Interpretation to Ms. Kim Garold, Flint Hills Resources, No. PI-19-0017 (June 8, 2021).

Note: Comments are posted without changes or edits to <https://www.regulations.gov>, including any personal information provided. There is a privacy statement published on <https://www.regulations.gov>.

Privacy Act: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to <https://www.regulations.gov>, as described in the system of records notice (DOT/ALL-14 FDMS), which can be reviewed at <https://www.dot.gov/privacy>.

Confidential Business Information: Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA, 5 U.S.C. 552), CBI is exempt from public disclosure. It is important that you clearly designate the comments submitted as CBI if: your comments responsive to this document contain commercial or financial information that is customarily treated as private; you actually treat such information as private; and your comment is relevant or responsive to this notice. Pursuant to 49 Code of Federal Regulations (CFR) 190.343, you may ask PHMSA to provide confidential treatment to information you give to the agency by taking the following steps: (1) mark each page of the original document submission containing CBI as “Confidential”; (2) send PHMSA, along with the original document, a second copy of the original document with the CBI deleted; and (3) explain why the information that you are submitting is CBI. Submissions containing CBI should be sent to Sayler Palabrica, Office of Pipeline Safety Standards and Rulemaking Division, Pipeline and Hazardous Materials Safety Administration (PHMSA), 2nd Floor, 1200 New Jersey Avenue SE, Washington, D.C. 20590-0001, or by email at sayler.palabrica@dot.gov. Any materials PHMSA receives that is not specifically designated as CBI will be placed in the public docket.

Docket: For access to the docket to read background documents or comments received, go to <http://www.regulations.gov>. Follow the online instructions for accessing the docket.

Alternatively, you may review the documents in person at the street address listed above.

II. REGULATORY ANALYSIS AND NOTICES:

A. Legal Authority

This proposed rule is published under the authority of the Secretary of Transportation set forth in the Federal Pipeline Safety Laws (49 U.S.C. 60101 *et seq.*) and delegated to the PHMSA Administrator pursuant to 49 CFR 1.97.

B. Executive Order 12866; Regulatory Planning and Review

Executive Order (E.O.) 12866 (“Regulatory Planning and Review”; 58 FR 51735 (Oct. 4, 1993)), as implemented by DOT Order 2100.6B (“Policies and Procedures for Rulemaking”), requires agencies to regulate in the “most cost-effective manner,” to make a “reasoned determination that the benefits of the intended regulation justify its costs,” and to develop regulations that “impose the least burden on society.” DOT Order 2100.6B specifies that regulations should generally “not be issued unless their benefits are expected to exceed their costs.” In arriving at those conclusions, E.O. 12866 requires that agencies should consider “both quantifiable measures . . . and qualitative measures of costs and benefits that are difficult to quantify” and “maximize net benefits . . . unless a statute requires another regulatory approach.” E.O. 12866 also requires that “agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating.” DOT Order 2100.6B directs that PHMSA and other Operating Administrations must generally choose the “least costly regulatory alternative that achieves the relevant objectives” unless required by law or compelling safety need.

E.O. 12866 and DOT Order 2100.6B also require that PHMSA submit “significant regulatory actions” to the Office of Information and Regulatory Affairs (OIRA) within the Executive Office of the President’s Office of Management and Budget (OMB) for review. This

proposed rule is a not significant regulatory action pursuant to E.O. 12866; it also has not designated this rule as a “major rule” as defined by the Congressional Review Act (5 U.S.C. 801 *et seq.*).

PHMSA has complied with the requirements in E.O. 12866 as implemented by DOT Order 2100.6B and preliminarily determined that this proposed rule will result in cost savings by reducing regulatory burdens and regulatory uncertainty for gas pipeline facility operators by clarifying jurisdictional boundaries within certain types of facilities, avoiding duplicative or contradictory Federal requirements. PHMSA expects those cost savings will also result in reduced costs for the public to whom pipeline operators generally transfer a portion of their compliance costs. The cost savings of this rulemaking could not be quantified.

C. Executive Orders 14192 and 14219

This NPRM is expected to be a deregulatory action pursuant to E.O. 14192 (“Unleashing Prosperity Through Deregulation”; (90 FR 9065 (Feb. 6, 2025))). PHMSA estimates that the total costs of the NPRM on the regulated community will be less than zero. Nor does this rulemaking implicate any of the factors identified in section 2(a) of E.O. 14219 (“Ensuring Lawful Governance and Implementing the President’s ‘Department of Government Efficiency’ Deregulatory Initiative”) indicative that a regulation is “unlawful . . . [or] that undermine[s] the national interest.” (90 FR 10583 (Feb. 25, 2025)).

D. Energy-Related Executive Orders 13211, 14154, and 14156

The President has declared in E.O. 14156 (“Declaring a National Energy Emergency”; (90 FR 8353 (Jan. 29, 2025))) a national emergency to address America’s inadequate energy development production, transportation, refining, and generation capacity. Similarly, E.O. 14154 (“Unleashing American Energy,” (90 FR 8353 (Jan. 29, 2025))) asserts a Federal policy to unleash American energy by ensuring access to abundant supplies of reliable, affordable energy from (inter alia) the removal of “undue burden[s]” on the identification, development, or use of domestic energy resources such as PHMSA-jurisdictional gasses and hazardous liquids.

PHMSA preliminarily finds this proposed rule is consistent with each of E.O. 14156 and E.O. 14154. The proposed rule will give affected pipeline operators relief from complying with the pipeline safety requirements for in-plant piping. PHMSA therefore expects the regulatory amendments in this proposed rule will in turn increase national pipeline transportation capacity and improve pipeline operators' ability to provide abundant, reliable, affordable natural gas in response to residential, commercial, and industrial demand.

However, this proposed rule is not a "significant energy action" under E.O. 13211 ("Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use"; (66 FR 28355 (May 22, 2001))), which requires Federal agencies to prepare a Statement of Energy Effects for any "significant energy action." Because this proposed rule is not a significant action under E.O. 12866, it will not have a significant adverse effect on supply, distribution, or energy use, as further discussed in the RIA; OIRA has therefore not designated this proposed rule as a significant energy action.

E. Executive Order 13132: Federalism

PHMSA analyzed this proposed rule in accordance with the principles and criteria contained in E.O. 13132 ("Federalism"; 64 FR 43255 (Aug. 10, 1999)) and the Presidential Memorandum ("Preemption") published in the Federal Register on May 22, 2009 (74 FR 24693). E.O. 13132 requires agencies to assure meaningful and timely input by State and local officials in the development of regulatory policies that may have "substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government."

While the proposed rule may (when finalized) operate to preempt some State requirements, it would not impose any regulation that has substantial direct effects on the States, the relationship between the National Government and the States, or the distribution of power and responsibilities among the various levels of government. Section 60104(c) of Federal Pipeline Safety Laws prohibits certain State safety regulation of interstate pipelines. Under

Federal Pipeline Safety Laws, States that have submitted a current certification under section 60105(a) can augment Federal pipeline safety requirements for intrastate pipelines regulated by PHMSA but may not approve safety requirements less stringent than those required by Federal law. A State may also regulate an intrastate pipeline facility that PHMSA does not regulate. The preemptive effect of the regulatory amendments in this proposed rule is limited to the minimum level necessary to achieve the objectives of the Federal Pipeline Safety Laws. Therefore, the consultation and funding requirements of E.O. 13132 do not apply.

F. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires Federal agencies to conduct a Final Regulatory Flexibility Analysis (FRFA) for a proposed rule subject to notice-and-comment rulemaking under the APA unless the agency head certifies that the proposed rule in the rulemaking will not have a significant economic impact on a substantial number of small entities. E.O. 13272 (“Proper Consideration of Small Entities in Agency Rulemaking”; 67 FR 53461 (Aug. 16, 2002)) obliges agencies to establish procedures promoting compliance with the Regulatory Flexibility Act. DOT posts its implementing guidance on a dedicated webpage. This proposed rule was developed in accordance with E.O. 13272 and DOT implementing guidance to ensure compliance with the Regulatory Flexibility Act. The proposed rule is expected to reduce regulatory burdens. Therefore, PHMSA certifies the proposed rule (if finalized) will not have a significant impact on a substantial number of small entities.

G. Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act (UMRA, 2 U.S.C. 1501 *et seq.*) requires agencies to assess the effects of Federal regulatory actions on State, local, and Tribal governments, and the private sector. For any proposed or final rule that includes a Federal mandate that may result in the expenditure by state, local, and Tribal governments, in the aggregate of \$100 million or more (in 1996 dollars) in any given year, the agency must prepare, amongst other things, a

written statement that qualitatively and quantitatively assesses the costs and benefits of the Federal mandate.

This proposed rule does not impose unfunded mandates under UMRA. PHMSA does not expect the proposed rule will result in costs of \$100 million or more (in 1996 dollars) per year for either State, local, or Tribal governments, or to the private sector.

H. National Environmental Policy Act

The National Environmental Policy Act (NEPA, 42 U.S.C. 4321 *et seq.*) requires that Federal agencies assess and consider the impact of major Federal actions on the human and natural environment.

PHMSA analyzed this proposed rule in accordance with NEPA and issues this draft Finding of No Significant Impact (FONSI), because it has preliminarily determined that the rulemaking will not adversely affect safety and therefore will not significantly affect the quality of the human and natural environment. The public is invited to comment on the impact of the proposed action.

I. Executive Order 13175

PHMSA analyzed this proposed rule according to the principles and criteria in E.O. 13175 (“Consultation and Coordination with Indian Tribal Governments”; 65 FR 67249 (Nov. 9, 2000)) and DOT Order 5301.1A (“Department of Transportation Tribal Consultation Policies and Procedures”). E.O. 13175 requires agencies to assure meaningful and timely input from Tribal government representatives in the development of rules that significantly or uniquely affect Tribal communities by imposing “substantial direct compliance costs” or “substantial direct effects” on such communities or the relationship or distribution of power between the Federal government and Tribes.

PHMSA assessed the impact of the proposed rule and determined that it will not significantly or uniquely affect Tribal communities or Indian Tribal governments. The rulemaking’s regulatory amendments have a broad, national scope; therefore, this proposed rule

will not significantly or uniquely affect Tribal communities, much less impose substantial compliance costs on Native American Tribal governments or mandate Tribal action. For these reasons, PHMSA has concluded that the funding and consultation requirements of E.O. 13175 and DOT Order 5301.1A do not apply.

J. Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) and its implementing regulations at 5 CFR 1320.8(d) requires that PHMSA provide interested members of the public and affected agencies with an opportunity to comment on information collection and recordkeeping requests. This rulemaking will not create, amend, or rescind any existing information collections.

K. Executive Order 13609 and International Trade Analysis

E.O. 13609 (“Promoting International Regulatory Cooperation”; 77 FR 26413 (May 4, 2012)) requires agencies consider whether the impacts associated with significant variations between domestic and international regulatory approaches are unnecessary or may impair the ability of American business to export and compete internationally. In meeting shared challenges involving health, safety, labor, security, environmental, and other issues, international regulatory cooperation can identify approaches that are at least as protective as those that are or would be adopted in the absence of such cooperation. International regulatory cooperation can also reduce, eliminate, or prevent unnecessary differences in regulatory requirements.

Similarly, the Trade Agreements Act of 1979 (Pub. L. 96-39), as amended by the Uruguay Round Agreements Act (Pub. L. 103-465), prohibits Federal agencies from establishing any standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. For purposes of these requirements, Federal agencies may participate in the establishment of international standards, so long as the standards have a legitimate domestic objective, such as providing for safety, and do not operate to exclude imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, that they be the basis for U.S. standards.

PHMSA engages with international standards setting bodies to protect the safety of the American public. PHMSA has assessed the effects of the proposed rule and has determined that its regulatory amendments will not cause unnecessary obstacles to foreign trade.

L. Cybersecurity and Executive Order 14028

E.O. 14028 (“Improving the Nation's Cybersecurity”; 86 FR 26633 (May 17, 2021)) directed the Federal government to improve its efforts to identify, deter, and respond to “persistent and increasingly sophisticated malicious cyber campaigns.” PHMSA has considered the effects of the proposed rule and has determined that its regulatory amendments would not materially affect the cybersecurity risk profile for pipeline facilities.

List of Subjects in 49 CFR Part 191

Pipeline Safety

For the reasons set forth above, PHMSA proposes to amend 49 CFR part 192 as follows:

**PART 192 – TRANSPORTATION OF NATURAL AND OTHER GAS BY PIPELINE:
MINIMUM FEDERAL SAFETY STANDARDS**

1. The authority citation for 49 CFR part 192 continues to read as follows:

Authority: 30 U.S.C. 185(w)(3), 49 U.S.C. 5103, 60101 *et. seq.*, and 49 CFR 1.97.

2. In § 192.1, add paragraph (b)(6) to read as follows:

§ 192.1 What is the scope of this part?

* * * * *

(b) * * *

(6) Any in-plant piping system.

3. In § 192.3, add a definition for “in-plant piping system” in alphabetical order to read as follows:

§ 192.3 Definitions

* * * * *

In-plant piping system means piping that is located on the grounds of a plant and used to move gas between plant facilities or between plant facilities and a pipeline or other mode of transportation, not including any device and associated piping that are necessary to control pressure in a pipeline. The point of demarcation between a pipeline and an in-plant piping system is the inlet of the pressure control device if the pipeline is moving gas out of the plant or the outlet of the pressure control device if the pipeline is moving gas into the plant. If there is no such pressure control device located on the grounds of the plant, an in-plant piping system extends to the plant boundary.

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Issued in Washington, D.C., on June 26, 2025, under the authority delegated in 49 CFR 1.97.

Benjamin D. Kochman,

Acting Administrator.

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