



## DEPARTMENT OF TRANSPORTATION

### Pipeline and Hazardous Materials Safety Administration

#### 49 CFR Part 195

[Docket No. PHMSA-2026-1547; Amdt. No. 195-127]

RIN 2137-AG51

#### Pipeline Safety: Outer Continental Shelf Pipelines

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

**ACTION:** Final rule; technical amendment.

**SUMMARY:** This final rule makes an editorial correction to the requirements for pipelines on the Outer Continental Shelf.

**DATES:** This rule is effective [INSERT DATE 100 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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#### SUPPLEMENTARY INFORMATION:

In this final rule, PHMSA is making an editorial correction to the requirements for pipelines on the Outer Continental Shelf (OCS). Specifically, § 195.9 requires operators of pipelines on the OCS to identify the specific point at which operating responsibility transfers to a producing operator. In cases where adjoining operators have not agreed on a transfer point by September 15, 1998, § 195.9 states the Regional Director and the MMS Regional Supervisor will make a joint determination of the transfer point. The MMS, formally known as the Minerals Management Service, has since changed its name to the Bureau of Ocean Energy Management, Regulation and Enforcement, or BOEMRE. PHMSA is therefore revising the text in § 195.9 to reflect this change.

## **Regulatory Analyses and Notices:**

### *A. Legal Authority*

This final 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. PHMSA has good cause under 5 U.S.C. § 553(b)(B) to issue this final rule without prior notice and comment. The MMS is now called BOEMRE and PHMSA is simply revising the requirements in § 195.9 to reflect this change. PHMSA finds that notice and comment is unnecessary because the reference to the MMS in § 195.9 is obsolete and serves no useful purpose.

### *B. Executive Order 12866*

E.O. 12866, *Regulatory Planning and Review*, as implemented by DOT Order 2100.6B (“Policies and Procedures for Rulemaking”) and DOT Order 2100.7 (“Ensuring Reliance upon Sound Economic Analysis in Department of Transportation Policies, Programs, and Activities”), 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.” 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. DOT Order 2100.6B also specifies that regulations should generally “not be issued unless their benefits are expected to exceed their costs” except where required by law or compelling safety need. DOT Order 2100.7

requires that “all rulemaking activities shall be based on sound economic principles and analysis supported by rigorous cost-benefit requirement.”

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 final rule is a not significant regulatory action pursuant to E.O. 12866; OMB 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 procedural and analytical requirements in E.O. 12866 as implemented by DOT Order 2100.6B and DOT Order 2100.7. This final rule does not impose new burdens. The changes made are not substantive and do not impose new requirements in the Federal Pipeline Safety Regulations. Similarly, the final rule does not have any adverse effects on safety.

#### *C. Executive Orders 14192 and 14219*

This final rule is considered a deregulatory action pursuant to E.O. 14192, *Unleashing Prosperity Through Deregulation*. PHMSA estimates that the total costs of the rule on the regulated community will be *de minimis*. The non-substantive changes of this rulemaking do not impose any new requirements on pipeline operators and should improve the clarity and compliance with the Federal Pipeline Safety Regulations. Nor does this rule 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.”

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

The President has declared in E.O. 14156, *Declaring a National Energy Emergency*, a National emergency to address America’s inadequate energy development production, transportation, refining, and generation capacity. Similarly, E.O. 14154, *Unleashing American*

*Energy*, 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 gases and hazardous liquids. PHMSA finds this final rule is consistent with each of E.O. 14156 and E.O. 14154. The provisions of this final rule are non-substantive and will not impose new requirements on pipeline operators; they are intended to promote the ease of operators complying with the existing regulations.

This final rule is not a “significant energy action” under E.O. 13211, *Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use*, which requires Federal agencies to prepare a Statement of Energy Effects for any “significant energy action.” Because this final rule is not a significant action under E.O. 12866, it will not have a significant adverse effect on supply, distribution, or energy use.

#### *E. Executive Order 13132: Federalism*

PHMSA analyzed this final rule in accordance with the principles and criteria contained in E.O. 13132, *Federalism*, and the Presidential Memorandum (“Preemption”) published in the *Federal Register* on May 22, 2009. 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 final rule may 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 the Federal Pipeline Safety Laws prohibits certain State safety regulation of interstate pipelines. Under the 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 final 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 (RFA, 5 U.S.C. § 601 *et seq.*) requires Federal agencies to conduct a Final Regulatory Flexibility Analysis (FRFA) for a final rule subject to notice-and-comment rulemaking, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The RFA applies only to rules for which an agency is required to first publish a proposed rule (*see* 5 U.S.C. §§ 603(a) and 604(a)). PHMSA is not required to publish a notice of proposed rulemaking for this final rule, so the RFA does not apply. However, PHMSA expects no affected operators will face significant costs from the regulatory amendments introduced here, as they are editorial and non-substantive in nature.

#### *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 (\$203 million in 2024) 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 final rule does not impose unfunded mandates under UMRA because it does not 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*

PHMSA has analyzed this rule pursuant to the National Environmental Policy Act (NEPA, 42 U.S.C. § 4321 *et seq.*) and has determined it is categorically excluded under 23 CFR 771.117(c)(20), which applies to the promulgation of rules, regulations, and directives. Under section 9 of DOT Order 5610.1D (“DOT’s Procedures for Considering Environmental Impacts”), PHMSA may apply a categorical exclusion established in another Operating Administration’s procedures. PHMSA followed the requirements outlined in DOT Order 5610.1D to apply a categorical exclusion issued by the Federal Highway Administration (FHWA) to this deregulatory action. PHMSA does not anticipate any adverse environmental impacts from this rule, and PHMSA has determined no unusual circumstances are present under 23 CFR 771.117(b). PHMSA’s Categorical Exclusion Determination memo for this action is available on PHMSA’s website.<sup>1</sup>

#### *I. Executive Order 13175*

PHMSA analyzed this final rule according to the principles and criteria in E.O. 13175, *Consultation and Coordination with Indian Tribal Governments*, 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 final 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 final rule will not significantly or uniquely affect Tribal communities, much less impose substantial compliance

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<sup>1</sup> PHMSA, *Implementing Procedures*, <https://www.phmsa.dot.gov/planning-and-analytics/environmental-analysis-and-compliance/implementing-procedures>.

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*, 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. No. 96-39), as amended by the Uruguay Round Agreements Act (Pub. L. No. 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 final 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*, directs 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 final rule and has determined that its regulatory amendments will not materially affect the cybersecurity risk profile for pipeline facilities.

**List of Subjects in 49 CFR Part 195**

Hazardous liquid, Pipeline safety.

In consideration of the foregoing, PHMSA amends 49 CFR part 195 as follows:

**PART 195—TRANSPORTATION OF HAZARDOUS LIQUIDS BY PIPELINE:**

1. The authority citation for part 195 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. Revise § 195.9 to read as follows:

**§ 195.9 Outer continental shelf pipelines.**

Operators of transportation pipelines on the Outer Continental Shelf must identify on all their respective pipelines the specific points at which operating responsibility transfers to a producing operator. For those instances in which the transfer points are not identifiable by a durable marking, each operator will have until September 15, 1998, to identify the transfer points. If it is not practicable to mark durably a transfer point and the transfer point is located above water, the operator must depict the transfer point on a schematic maintained near the transfer point. If a transfer point is located subsea, the operator must identify the transfer point on a schematic which must be maintained at the nearest upstream facility and provided to PHMSA

upon request. For those cases in which adjoining operators have not agreed on a transfer point by September 15, 1998, the Regional Director and the Bureau of Ocean Energy Management, Regulation and Enforcement Regional Supervisor will make a joint determination of the transfer point.

Issued in Washington, D.C., on April 22, 2026, under the authority delegated in 49 CFR 1.97.

**Paul J. Roberti,**

*Administrator.*

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