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DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

49 CFR Part 195

[Docket No. PHMSA-2026-1520; Amdt. No. 195-118]

RIN 2137-AG24

Pipeline Safety: Clarifying Hazardous Liquid Pipeline Integrity Management Guidance

ACTION: Direct final rule (DFR); request for comments.

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

SUMMARY: This DFR makes corrections and clarifications to certain guidance for implementing an integrity management program on hazardous liquid and carbon dioxide pipelines.

DATES: The DFR is effective [INSERT DATE 100 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*], unless adverse comments are received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. If adverse comments are received, notification will be published in the *Federal Register* before the effective date withdrawing the rule and publishing a notice of proposed rulemaking to provide an additional opportunity for public comment.

ADDRESSES: You may submit comments identified by the Docket Number PHMSA-2026-1520 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 S.E., 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 S.E., 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 S.E., Washington, D.C. 20590, 202-744-0825, sayler.palabrica@dot.gov.

SUPPLEMENTARY INFORMATION:

I. GENERAL DISCUSSION:

Through this DFR, PHMSA is making corrections and clarifications to Appendix C to 49 CFR Part 195. Appendix C provides guidance to operators for implementing integrity management (IM) requirements in §§ 195.450-195.454. This includes guidance on conditions an operator should consider when determining whether a hazardous liquid pipeline is located in or could-affect a High-Consequence Area (HCA), and therefore subject to IM requirements. It also includes guidance on identifying threats to the integrity of a pipeline.

This DFR finalizes revisions proposed in a prior deregulatory effort published in 2020 (85 FR 21140 (Apr. 16, 2020)) and addresses comments received in that proceeding. In response to a 2017 Notification of Regulatory Review (82 FR 45750 (Oct. 2, 2017)), stakeholders raised concerns with the guidance for considering the possibility of spilled product migrating via drainage tiles when determining whether a pipeline crossing an agricultural field could affect an HCA. In the same comment, stakeholders suggested that the guidance to consider physical support, operating pressure, and natural forces that are currently listed in the guidance for identifying HCAs should instead be listed with the guidance for identifying threats to pipeline integrity.

In the 2020 NPRM, PHMSA proposed to address these comments by clarifying that the recommended consideration of agricultural drainage tiles is based on information and knowledge available to the operator. PHMSA also proposed to relocate the guidance to consider the physical support of the pipeline, maximum operating pressure exceedances, and natural force damage caused by earth movement or seismicity from the guidance for identifying segments that could affect HCAs in section I.B of Appendix C to the guidance on identifying threats in section II.A. Finally, PHMSA proposed to clarify at the beginning of Appendix C that the document provides non-binding guidance, but if an operator incorporates it into their IM program, then they would have to comply with it. Public comments submitted in response to the NPRM were generally supportive of clarifying guidance, however a group of stakeholders commented that PHMSA must emphasize the need for site-specific flexibility and that the appendix is non-enforceable guidance (Docket No. PHMSA-2018-0047-0029). This proposal was otherwise non-controversial.

To address concerns raised by comments in response to the 2020 NPRM, this DFR omits language from the 2020 NPRM that suggested that Appendix C became mandatory if an operator elects to incorporate it into their IM programs or operations and maintenance (O&M) manuals. Appendix C remains non-binding guidance. While an operator is required to follow their written O&M manuals and IM programs, incorporating portions of Appendix C does not make any other portion of that document enforceable, nor is an operator prohibited from modifying elements in Appendix C when they choose to adapt them to their facility's IM plan provided it meets the minimum requirements in Part 195.

Commenting Instructions: Please include the docket number PHMSA-2026-1520 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.

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 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, Pipeline and Hazardous Materials Safety Administration (PHMSA), 2nd Floor, 1200 New Jersey Avenue S.E., Washington, D.C. 20590-0001, or by e-mail at sayler.palabrica@dot.gov. Any materials PHMSA receives that are 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 direct final rule is published under the authority of the Secretary of Transportation as 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. Upon evaluation, and for the reasons explained above, PHMSA has determined that this direct final rule is unlikely to elicit significant adverse comment. *See* 49 U.S.C. § 60102(b)(6)(A); 49 CFR 190.339. PHMSA similarly finds that publication of a proposed rulemaking on which comment is solicited would be "unnecessary" pursuant to section 553(b)(B) of the Administrative Procedure Act (5 U.S.C. § 551 *et seq*.) because this rulemaking merely adopts language previously recommended by stakeholders in response to a 2020 NPRM. Lastly, PHMSA notes that the amendments to Appendix C adopted in this rulemaking are more consistent with the non-binding character of that guidance to its IM regulations than alternative language that PHMSA had proposed in the 2020 NPRM.

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." 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 direct 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. In so doing, PHMSA has determined that this direct final rule will result in minimal cost savings by reducing regulatory uncertainty for pipeline facility operators in developing and implementing their IM plans. The cost savings of this rulemaking could not be quantified because PHMSA lacks information on operators' baseline practices and how many fewer surveys would be required following this guidance. PHMSA also determined that this final rule will not have any adverse safety effects.

C. Executive Orders 14192 and 14219

This final rule will be 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 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."

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 ensuing 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 finds this direct final rule is consistent with each of E.O. 14156 and E.O. 14154. The direct final rule clarifies non-binding guidance and therefore the benefits are primarily from regulatory certainty. To the extent guidance regarding considering drainage tiles caused operators to survey for such facilities, revising that guidance will reduce costs for hazardous liquid pipeline operators. PHMSA therefore expects the regulatory amendments in this direct final rule will in turn increase national pipeline transportation capacity and improve pipeline operators' ability to provide abundant, reliable, affordable petroleum, petroleum products, and other hazardous liquids in response to residential, commercial, and industrial demand.

However, this direct 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 direct 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; OIRA has therefore not designated this direct final rule as a significant energy action.

E. Executive Order 13132: Federalism

PHMSA analyzed this direct 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 ensure 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 direct final rule may operate to preempt some State requirements, it will 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 direct 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 DFR, so the RFA does not apply. However, PHMSA expects no affected operators will face significant costs because the rule only makes clarifying changes to the non-binding guidance found in Appendix C; indeed, those clarifications generally reinforce that Appendix C guidance does not prescribe

mandatory requirements. Therefore, PHMSA certifies that this DFR will not have a significant economic 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 direct 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 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 direct 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

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 direct final rule in accordance with NEPA and issues this Finding of No Significant Impact (FONSI), as it has determined that the rulemaking will not adversely affect safety and will not significantly affect the quality of the human and natural environment.

I. Executive Order 13175

PHMSA analyzed this direct 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 direct 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 direct final 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 nor rescind any existing information collections; however, this rulemaking provides for a 30-day comment period. After the effective date of the final rule, PHMSA will request amendment of the pertinent information collections consistent with Paperwork Reduction Act requirements and implementing guidance.

K. Executive Order 13609 and International Trade Analysis

E.O. 13609, *Promoting International Regulatory Cooperation*, requires agencies to 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 direct 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*, directed the Federal Government to improve its efforts to identify, to deter, and to respond to "persistent and increasingly sophisticated malicious cyber campaigns." PHMSA has considered the effects of the direct 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

Pipeline Safety

For the reasons set forth above, PHMSA amends 49 CFR Part 195 as follows:

PART 195–TRANSPORTATION OF HAZARDOUS LIQUIDS BY PIPELINE

1. The authority citation for 49 CFR 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. Amend Appendix C to Part 195 as follows

a. Revise the introductory text of Appendix C to Part 195;

b. Republish the introductory text of paragraph I, revise paragraphs I.B(3) and (6) through (11), and remove paragraph I.B(12); and

c. Republish the introductory text of paragraph II, and revise paragraphs II.A(11), (15), and (17).

The revisions and republications read as follows:

Appendix C to Part 195–Guidance for Implementation of an Integrity Management Program

This appendix gives guidance to help an operator implement integrity management program requirements in §§ 195.450 and 195.452. This appendix is intended to give advice to operators on how to implement the requirements of the integrity management requirements. This appendix is not legally binding and conformity with this appendix is voluntary only. Guidance is provided on:

(1) Information an operator may use to identify a high consequence area and factors an operator can use to consider the potential impacts of a release on an area;

(2) Risk factors an operator can use to determine an integrity assessment schedule;

(3) Safety risk indicator tables for leak history, volume or line size, age of pipeline, and product transported, an operator may use to determine if a pipeline segment falls into a high, medium, or low risk category;

(4) Types of internal inspection tools an operator could use to find pipeline anomalies;

(5) Measures an operator could use to measure an integrity management program's performance;

(6) Types of records an operator will have to maintain; and

(7) Types of conditions that an integrity assessment may identify that an operator should include in its required schedule for evaluation and remediation.

I. Identifying a high consequence area and factors for considering a pipeline segment's potential impact on a high consequence area.

B. * * *

(3) Crossing of farm tile fields. Using available information and knowledge, an operator should consider the possibility of spillage in a field following a drain tile into a waterway.

* * * * *

(6) Operating conditions of the pipeline (pressure, flow, mode of operation, etc.).

(7) The hydraulic gradient of the pipeline.

(8) The diameter of the pipeline, the potential release volume, and the distance between the isolation points.

(9) Potential physical pathways between the pipeline and the high-consequence area.

(10) Response capability (time to respond, nature of response).

(11) Potential of terrain and waterways to be flooded and serve as a conduit to a high consequence area.

II. Risk factors for establishing frequency of assessment.

A. * * *

(11) Location related to potential flooding or ground movement (e.g., flood zones, seismic faults, rock quarries, and coal mines); climatic (permafrost causes settlement—Alaska); geologic (earthquakes, landslides, or subsidence areas).

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(15) Operating conditions of the pipeline (pressure, stress levels, flow rate, etc.). Consider if the pipeline has been exposed to an operating pressure exceeding the established maximum operating pressure.

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(17) Physical support of the pipeline segment such as by a cable suspension bridge. An operator should look for stress indicators on the pipeline (strained supports, inadequate support at towers), atmospheric corrosion, vandalism, and other obvious signs of improper maintenance.

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

Paul J. Roberti,

Administrator.

[FR Doc. 2026-08074 Filed: 4/23/2026 8:45 am; Publication Date: 4/24/2026]