

**BEFORE THE
UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
WASHINGTON, D.C.**

Pipeline Safety: Property Damage Definition	)	Docket No. PHMSA-2025-0109
For Reporting Incidents on Gas Pipelines and	)	RIN: 2137-AF78
Accidents on Hazardous Liquid and Carbon	)	
Dioxide Pipelines		

**COMMENTS ON
PIPELINE SAFETY: JOINT MEETING OF THE GAS PIPELINE ADVISORY
COMMITTEE AND LIQUID PIPELINE ADVISORY COMMITTEE
(PROPERTY DAMAGE DEFINITION FOR REPORTING INCIDENTS AND ACCIDENTS)**

FILED BY

**AMERICAN FUEL & PETROCHEMICAL MANUFACTURERS
AMERICAN GAS ASSOCIATION
AMERICAN PUBLIC GAS ASSOCIATION
AMERICAN PETROLEUM INSTITUTE
GPA MIDSTREAM ASSOCIATION
INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA
LIQUID ENERGY PIPELINE ASSOCIATION**

September 4, 2026

Table of Contents

I. Introduction.....	3
II. Property Damage Reporting Threshold Modernization	4
A. PHMSA should finalize the proposed \$153,600 threshold and inflation adjustment mechanism.....	4
B. Reportability should be based on the direct consequences of a release.	5
C. PHMSA should clarify the treatment of undamaged infrastructure.....	6
D. NRC notification and accident reporting requirements should remain aligned.	6
E. Modernizing the threshold will improve data quality and trend analysis.....	6
F. PHMSA should provide consistent implementation and enforcement guidance.	6
G. PHMSA should preserve broader reporting modernization as a future priority.	7
III. Conclusion	7

I. Introduction

The American Fuel and Petrochemical Manufacturers (AFPM)¹, American Gas Association (AGA)², American Public Gas Association (APGA)³, American Petroleum Institute (API)⁴, GPA Midstream Association (GPA Midstream), Interstate Natural Gas Association of America (INGAA)⁵, and the Liquid Energy Pipeline Associations (LEPA)⁶, collectively, the Associations, respectfully submit these comments following the July 30, 2026 meeting of the Gas Pipeline Advisory Committee and Liquid Pipeline Advisory Committee. These comments address the Pipeline and Hazardous Materials Safety Administration's (PHMSA) proposed rule, *Pipeline Safety: Property Damage Definition for Reporting Incidents on Gas Pipelines and Accidents on Hazardous Liquid and Carbon Dioxide Pipelines* (NPRM)⁷, together with the Agency's associated regulatory analyses and the other materials pertaining to the NPRM provided in the public docket for this rulemaking.

The Associations support PHMSA's proposal to revise the definitions and reporting criteria used to determine whether a release from a gas, hazardous liquid, or carbon dioxide pipeline facility constitutes a reportable incident or accident, including whether immediate notification to the National Response Center is required. The proposal modernizes an outdated property-damage trigger, aligns Parts 191 and 195, removes distortions caused by inflation and market-priced product

¹ AFPM is a national trade association representing most U.S. refining and petrochemical manufacturing capacity. AFPM's member companies produce the gasoline, diesel, and jet fuel that drive the modern economy, as well as the petrochemical building blocks that are used to make the millions of products that make modern life possible—from clothing to life-saving medical equipment and smartphones. As such, AFPM members strengthen economic and national security while supporting more than 3 million jobs nationwide. To produce these essential goods, AFPM members depend on all modes of transportation to move their products to and from refineries and petrochemical facilities and have made significant infrastructure investments to support and improve the safety and efficiency of the transportation system. AFPM member companies depend upon an uninterrupted, affordable supply of crude oil and natural gas as feedstocks for the transportation fuels and petrochemicals they manufacture. Pipelines are the primary mode for transporting crude oil and natural gas to refiners and petrochemical facilities and refined products from those same facilities to distribution terminals serving consumer markets.

² Founded in 1918, AGA represents more than 200 local energy companies committed to the safe and reliable delivery of clean natural gas to more than 180 million Americans. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies, and industry associates. Today, natural gas meets more than one third of the United States' energy needs.

³ APGA is the trade association representing more than 730 communities across the U.S. that own and operate their retail natural gas entities. These include not-for-profit gas distribution systems owned by municipalities and other local government entities, all locally accountable to the citizens they serve. Public gas systems focus on safely providing reliable and affordable energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

⁴ API represents all segments of America's natural gas and oil industry, which supports more than 11 million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. Our approximately 600 members produce, process and distribute the majority of the nation's energy, and participate in API Energy Excellence®, which is accelerating environmental and safety progress by fostering new technologies and transparent reporting. API was formed in 1919 as a standards-setting organization and has developed more than 800 standards to enhance operational and environmental safety, efficiency and sustainability.

⁵ INGAA is a trade association that advocates regulatory and legislative positions of importance to the interstate natural gas pipeline industry in North America. Comprised of 28 members, it represents the vast majority of the U.S. interstate natural gas transmission pipeline companies. INGAA's members operate nearly 200,000 miles of pipelines and serve as an indispensable link between natural gas producers and consumers.

⁶ LEPA promotes responsible policies, safety excellence, and public support for liquids pipelines. LEPA represents pipelines transporting 97 percent of all hazardous liquids barrel miles reported to the Federal Energy Regulatory Commission. LEPA's diverse membership includes large and small pipelines carrying crude oil, refined petroleum products, NGLs, and other liquids.

⁷ Pipeline Safety: Property Damage Definition for Reporting Incidents on Gas Pipelines and Accidents on Hazardous Liquid and Carbon Dioxide Pipelines, 91 Fed. Reg. 22,096 (Apr. 24, 2026).

loss, and focuses reporting on events with meaningful safety, environmental, or emergency-response consequences.

As PHMSA develops the final rule, reportability should be driven by the direct consequences of a release, not by incidental costs incurred to obtain access, secure permits, or temporarily remove undamaged infrastructure to conduct a safe investigation and repair. The final rule should adopt the proposed threshold and inflation mechanism, clarify that indirect or ancillary costs may be collected on reporting forms but should not determine whether an event is reportable, and promote consistent implementation by federal and state regulators.

The Advisory Committee record reinforces this approach. Both Committees found the proposed rule technically feasible, reasonable, cost-effective, and practicable in light of the information presented during the meeting. The Gas Pipeline Advisory Committee approved that finding by an 11-to-1 vote. The Liquid Pipeline Advisory Committee separately advanced the same core finding while recommending that PHMSA remove the term “non-operator” from the infrastructure exclusion.⁸ Those recommendations provide a strong basis for PHMSA to finalize the rule with the clarifications described below.

II. Property Damage Reporting Threshold Modernization

A. PHMSA should finalize the proposed \$153,600 threshold and inflation adjustment mechanism.

The Associations support finalizing the proposed \$153,600 property damage threshold and annual inflation adjustment mechanism. The existing Part 195 threshold was established decades ago and no longer reflects current-dollar reporting significance. Maintaining different thresholds for gas, hazardous liquid, and carbon dioxide systems creates avoidable regulatory inconsistency and complicates comparisons across Parts 191 and 195.

The annual inflation adjustment mechanism will prevent the threshold from eroding over time. Without periodic adjustment, events with limited consequences can become reportable solely because labor, repair, equipment, and material costs increase. Maintaining the threshold in real economic terms will provide more consistent reporting criteria and improve the usefulness of PHMSA’s data over time.

Agency representatives explained that because the incident and accident definitions use a monetary threshold as one of several criteria — criteria tied to an elevated agency response, not general data collection — the threshold should remain consistent over time by adjusting for inflation, since it represents the significance of the event, in monetary terms, that PHMSA believes warrants that response. An event that met the threshold decades ago should still be the benchmark for what triggers that response today. They further noted that PHMSA already adjusts these figures for inflation internally when it uses the reports for economic purposes, so the proposal codifies existing Agency practice rather than introducing a new one.⁹ The Associations agree.

The Committee discussion also addressed whether an annual update would create an implementation burden. The operator perspective presented during the meeting was that operators

⁸ Transcript of Proceedings, Joint Meeting of the Gas Pipeline Advisory Committee and Liquid Pipeline Advisory Committee, U.S. Dep’t of Transportation, Pipeline & Hazardous Materials Safety Admin. (July 30, 2026) (Transcript), at 143–44 (GPAC, 11-1), 145, 147 (LPAC, unanimous, with recommendation).

⁹ Transcript at 135–36.

already review procedures annually, so incorporating the updated threshold would not be a significant additional lift. Operators also indicated that when preliminary costs appear close to the applicable threshold, they generally make the notification rather than rely on an uncertain early estimate. These practical considerations support retaining the annual adjustment mechanism and providing clear, timely notice of each updated threshold.

B. Reportability should be based on the direct consequences of a release.

The Associations support excluding the cost of lost gas or product, permit acquisition, and removal and replacement of infrastructure that was not damaged by the release. Although these expenses may be real operational costs, they do not necessarily measure the safety, environmental, or emergency-response consequences of the event. Including market-priced product loss or access-related expenses can convert a low-consequence release into a reportable event even when the release itself caused limited property damage.

For example, the cost of lost product is a function of commodity price, which fluctuates. The same volume of product released under identical circumstances can vary with market conditions outside the operator's control. Those market fluctuations are entirely unrelated to safety consequences. Costs related to permitting and the removal of undamaged infrastructure are a similar problem for reporting. These costs are often related to what the operator must spend to access the pipe and perform a safe repair but not related to the event itself. A minor release beneath a congested urban street can generate large access costs while causing little damage while an identical release in open terrain could generate less. Including these indirect and ancillary costs in the reporting threshold could inform the Agency of something about urban infrastructure density, not about pipeline safety.

Operators described these practical concerns in the meeting. As they explained, mobilizing and excavating to investigate a very minor leak routinely exceeds the existing \$50,000 figure. Exposing the pipeline alone can run on the order of \$100,000 in some areas. So, the current threshold generates reportable events that require no emergency response.¹⁰ In none of these cases is the property damage threshold (as it currently stands) a measure of the safety consequences of the release.

The final rule should clearly distinguish between information PHMSA may collect on a reporting form and costs that determine whether an event must be reported in the first instance. Ancillary costs may provide context after an event is otherwise reportable, but they should not serve as the threshold trigger. This distinction will keep reportability tied to release severity rather than business cost accounting.

PHMSA explained during the meeting that incident and accident reports are not merely general data-collection tools. A report can trigger NRC processing and mobilization of PHMSA resources. The monetary threshold should therefore identify events warranting that elevated response, while routine leak and repair information continues to be available through annual reports and other reporting mechanisms. This distinction further supports excluding costs that do not reflect the consequences of the release itself.

¹⁰Transcript at 131, 137.

C. PHMSA should clarify the treatment of undamaged infrastructure.

The Associations request that PHMSA delete the word “non-operator” from the proposed exclusion for costs associated with removing and replacing infrastructure that was not damaged by the release. The relevant consideration is whether the infrastructure was damaged, not who owns it. The same policy rationale applies whether the infrastructure belongs to an operator, utility, road authority, or another party.

If infrastructure is removed or replaced solely to gain access to the release location or complete a safe repair, that cost should not define the severity of the release. Eliminating the ownership qualifier will avoid inconsistent treatment of identical access activities and reduce disputes concerning ownership status. PHMSA may still collect relevant contextual cost information separately without using those expenses to determine reportability.

D. NRC notification and accident reporting requirements should remain aligned.

The Associations support PHMSA’s correction aligning the National Response Center notification requirement in § 195.52(a)(3) with the property damage criterion in § 195.50(e). Without alignment, operators could face one threshold for a 30-day accident report and another for immediate NRC notification, generating emergency notifications for events PHMSA otherwise treats as below the accident-reporting threshold.

PHMSA should consider using a direct cross-reference to § 195.50(e) in § 195.52(a)(3). A cross-reference would provide a durable mechanism for preserving alignment if the accident-reporting criterion is revised in the future. Other consequence-based notification triggers would continue to apply independently.

E. Modernizing the threshold will improve data quality and trend analysis.

Concerns that a revised threshold could reduce publicly available safety data do not justify retaining an outdated and inflation-eroded dollar amount. Consequential releases will remain reportable under independent criteria concerning fires or explosions, release volume, death, hospitalization, and other emergency-response consequences.

Removing low-consequence administrative triggers will improve, rather than weaken, data quality. A static threshold changes meaning every year as prices rise and can make safety performance appear worse because repair costs increased, not because the severity of releases changed. An inflation-adjusted threshold provides a more stable basis for year-to-year comparisons and long-term trend analysis.

PHMSA estimated that the change would result in approximately 5 fewer accident reports each year out of 364 per year, with annualized cost savings of approximately \$5,000. That limited effect supports PHMSA’s conclusion that the proposal is a targeted correction rather than a broad reduction in safety reporting. The record also confirms that hazardous-leak and leak-repair information will continue to be reported through annual reports, preserving information relevant to broader oversight and trend analysis.

F. PHMSA should provide consistent implementation and enforcement guidance.

Operators need a consistent interpretation of property damage across gas, hazardous liquid, and carbon dioxide pipeline systems. Ambiguity regarding which costs determine reportability can produce inconsistent decisions by operators and differing positions among federal inspectors, state partners, and enforcement personnel, particularly when reporting determinations must be made quickly.

The Associations therefore encourage PHMSA to issue inspection and enforcement guidance confirming that indirect impacts and ancillary costs may be collected on forms but should not determine whether an event meets the reportability threshold. The objective is not to withhold relevant cost information. It is to separate direct release consequences from response, access, and administrative expenses when determining whether reporting is required.

The Committee discussion also identified a potential need for clarity when indirect-cost estimates change substantially between initial and final reports. PHMSA should address that concern through form instructions or guidance, rather than by using indirect costs to trigger reportability. This would preserve transparency regarding material cost changes while maintaining the central distinction between direct release consequences and ancillary response or access expenses.

G. PHMSA should preserve broader reporting modernization as a future priority.

The Associations support this targeted proposal as an immediately actionable improvement while continuing to encourage broader modernization of Part 195 accident reporting. Early release-volume estimates may change as operators gather field information, conduct excavation or recovery, and complete engineering analysis. Issues concerning initial release-volume ranges and follow-up reporting remain appropriate subjects for future consideration.

Finalizing this focused rulemaking will provide meaningful clarification without foreclosing broader reforms. PHMSA should continue evaluating ways to ensure that public data reflects accurate, mature information while recognizing that preliminary estimates made during emergency response may evolve as additional facts become available.

III. Conclusion

The Associations support PHMSA's proposal to modernize the property damage reporting threshold. The proposal updates an outdated trigger, aligns Parts 191 and 195, incorporates a durable inflation-adjustment mechanism, and focuses reporting on releases with meaningful consequences rather than incidental costs associated with product value, permits, access, or repair logistics.

The Associations respectfully request that PHMSA finalize the 2026 inflation-adjusted \$153,600 threshold and annual inflation adjustment mechanism; base reportability on direct damage attributable to the release; delete the word "non-operator" from the exclusion for undamaged infrastructure, consistent with the LPAC recommendation; align NRC notification requirements with accident-reporting criteria; and issue implementation guidance confirming that indirect and ancillary costs may be collected separately but should not determine whether an event is reportable. PHMSA should also clearly explain that independent consequence-based reporting triggers, emergency-planning obligations, and annual leak reporting remain in place. These changes are consistent with the Advisory Committees' findings, will improve regulatory consistency and data quality, and will preserve reporting and response for consequential events.

Respectfully submitted,

Date: September 4, 2026

Ashlin Bollacker

Director of Pipeline Safety

Interstate Natural Gas Association of America

25 Massachusetts Ave NW, Suite 500N

Washington, D.C. 20001

(202) 216-5913

abollacker@ingaa.org

Erin Kurilla

Executive Vice President, Advocacy and Operations

American Public Gas Association

201 Massachusetts Ave NE

Washington, D.C. 20002

202-905-2904

ekurilla@apga.org

Alan M. Chichester

Managing Director, Safety, Operations, and Engineering

American Gas Association

400 North Capitol Street, NW

Washington, D.C. 20001

achichester@aga.org

Dave Murk

Senior Director of Pipelines, Midstream

American Petroleum Institute

200 Massachusetts Avenue, N.W.

Washington, D.C. 20001

771-210-2290

murkd@api.org

John Stoody

Vice President Government & Public Relations

Liquid Energy Pipeline Association

900 17th St, NW Ste 600

Washington, DC 20006

jstoody@liquidenergypipelines.org

Stuart Saulters

Vice President, Federal Affairs

GPA Midstream Association

6060 American Plaza, Suite 700

Tulsa, OK 74135

ssaulters@gpamidstream.org