



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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The Honorable Harley O. Staggers
Chairman, Committee on Interstate
and Foreign Commerce
House of Representatives

Dear Mr. Chairman:

By letter dated March 22, 1978, you requested that we comment on H.R. 11586, 95th Congress, the "Fuels Transportation Safety Amendments Act of 1978." The purpose of the bill is to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of fuel pipelines and to provide safety standards for liquefied gas facilities.

During the February 21 hearings of the Subcommittee on Energy and Power, Monte Canfield, Jr., Director of the Energy and Minerals Division, testified on the tentative findings of our draft report on Liquefied Energy Gases Safety. We are enclosing thirteen pages of comments on H.R. 11586 based on our work in this area.

While we recommend a number of clarifications and changes, we feel that the following are most important:

- General - Add "large liquefied gas facilities" to all titles of the bill. We feel that "large" should be added and defined in order to exclude small quantities of liquefied gas.
- Page 4, line 24 - Empower the Secretary to go to court in order to close down or alter a facility that poses an imminent and substantial hazard to the public safety.
- Page 19, line 18 - It is not clear whether trains and trucks transporting liquefied gas are intended to be included within the definition of a liquefied gas facility and thus be covered by the provisions of Title II of the bill. We would recommend that they be included.
- Page 21, line 11 - Add a provision prohibiting the siting of a liquefied gas facility or the expansion of an existing liquefied gas facility in or near densely populated areas.

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- Page 21, line 11 - Add a provision requiring compulsory public adjudicatory hearings as the basis for the Secretary's approval of a liquefied gas facility.
- Page 29, lines 9, 11, 17, and 18 and Page 30, line 18, 22, and 24 - We believe that the liability totals for a single incident may be too small to cover claims for damage from one significant incident.
- Page 31, line 22 through Page 32, line 2 - We believe this subsection should be deleted because it is unwise to give the Secretary such broad discretion and because much of the problem may be resolved by adding "large" to liquefied gas facilities.
- Page 32, line 5 - We feel that the language of this subsection must be more explicit in order to permit parties injured in an incident access to the assets of the whole corporate chain.

We hope these recommendations will prove useful to your committee as you address this important and timely topic.

Sincerely yours,

R.F.KELLER

Deputy Comptroller General
of the United States

Enclosure