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Exhibit No. 8-B

NATIONAL TRANSPORTATION SAFETY BOARD

Washington, D.C.

Improving Pipeline Safety through Targeted Research
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U. S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration

(16 Pages)



IMPROVING PIPELINE SAFETY THROUGH TARGETED RESEARCH



NTSB Hearing on San Bruno, CA Natural Gas Pipeline Explosion and Fire

March 3, 2011
Washington, DC

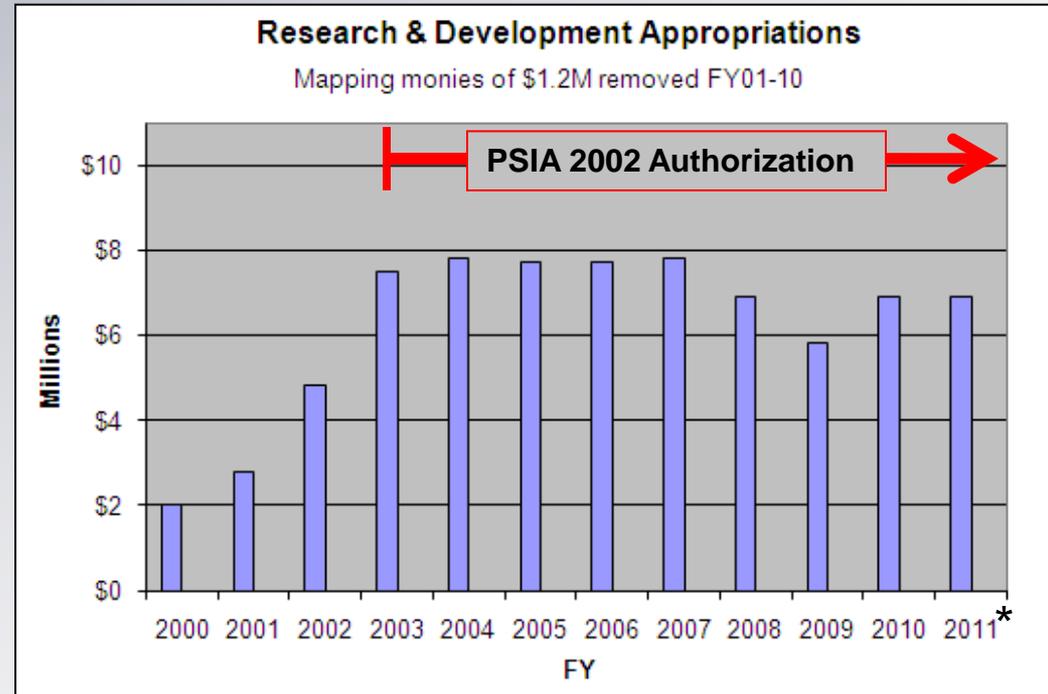


About the Program

Pipeline Safety R&D Program Mission:

To sponsor research and development projects focused on providing near-term solutions that will improve the **safety**, reduce **environmental** impact, and enhance the **reliability** of the Nation's pipeline transportation system.

- Pipeline Safety Improvement Act of 2002 established our modern program and current Authorization level



* Continuing Resolution through March 2011



About the Program

- **Employs a time tested process that is generating results**

- Incorporates stakeholder input/consensus driven
- Highly transparent
 - Competitive, coordinated, collaborative and co-funded
 - Interactive website
- Peer reviewed and measuring/reporting results





Research Program Objectives

Developing Technology

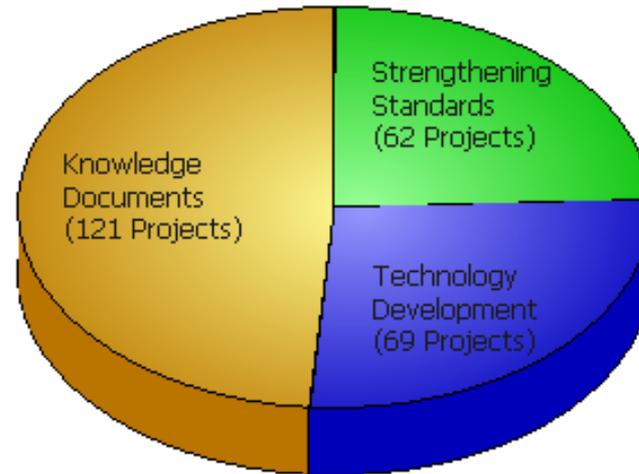
Fostering the development of new technologies so that pipeline operators can improve safety performance and more effectively address regulatory requirements.

Strengthening Consensus Standards

Targeting and feeding new knowledge into the process of keeping standards relevant to their purpose.

Promoting Knowledge

Generating and promoting general knowledge to decision makers.



Objective	Projects	PHMSA	Industry	Total
Strengthening Standards	62	\$18.17M	\$24.79M	\$42.97M
Technology Development	69	\$34.59M	\$41.92M	\$76.51M
Knowledge Documents	121	\$32.41M	\$47.08M	\$79.49M

NOTE: Projects can impact and be relevant in two or more areas. Because of this, counts and sums will amount to more than 100% of program totals.



Research Strategies

Program Category	Objectives	PHMSA	Industry	Total	Total
Damage Prevention	Strengthening Standards	\$ 0.42M	\$ 0.49M	\$ 0.91M	
	Technology Development	\$ 2.79M	\$ 2.33M	\$ 5.12M	■
	Knowledge Documents	\$ 0.88M	\$ 1.05M	\$ 1.93M	
Pipeline Assessment and Leak Detection	Strengthening Standards	\$ 7.44M	\$10.61M	\$18.05M	■
	Technology Development	\$25.05M	\$32.02M	\$57.07M	■
	Knowledge Documents	\$13.47M	\$19.51M	\$32.99M	■
Defect Characterization and Mitigation	Strengthening Standards	\$ 3.48M	\$ 4.57M	\$ 8.06M	■
	Technology Development	\$ 0.80M	\$ 1.20M	\$ 2.00M	
	Knowledge Documents	\$ 6.64M	\$ 8.29M	\$14.94M	■
Improved Design, Construction and Materials	Strengthening Standards	\$ 6.51M	\$ 8.74M	\$15.25M	■
	Technology Development	\$ 5.73M	\$ 6.10M	\$11.83M	■
	Knowledge Documents	\$ 9.80M	\$16.13M	\$25.93M	■
Enhanced Operation Controls and Human Factors Management	Strengthening Standards	\$ 0.00M	\$ 0.00M	\$ 0.00M	
	Technology Development	\$ 0.00M	\$ 0.00M	\$ 0.00M	
	Knowledge Documents	\$ 0.53M	\$ 0.49M	\$ 1.02M	
Risk Management and Communications	Strengthening Standards	\$ 0.00M	\$ 0.00M	\$ 0.00M	
	Technology Development	\$ 0.00M	\$ 0.00M	\$ 0.00M	
	Knowledge Documents	\$ 0.03M	\$ 0.03M	\$ 0.07M	
Safety Issues for Emerging Technologies	Strengthening Standards	\$ 0.42M	\$ 0.48M	\$ 0.91M	
	Technology Development	\$ 0.21M	\$ 0.26M	\$ 0.47M	
	Knowledge Documents	\$ 1.20M	\$ 1.66M	\$ 2.86M	

NOTE: Projects can impact and be relevant in two or more areas. Because of this, counts and sums will amount to more than 100% of program totals.



Impact: Technology Development

Software/Hardware improvements to guided wave used to inspect cased crossings

- Farther inspection distances
- Improved accuracy in characterizing defects



First ever In-Line Tool to map cathodic current demand

- Key in finding complex corrosion defects and coating disbondments



Courtesy: Baker Hughes

Innovative tool to inspect unpiggable natural gas pipelines

- Untethered, 6"-8" up to 750 psi



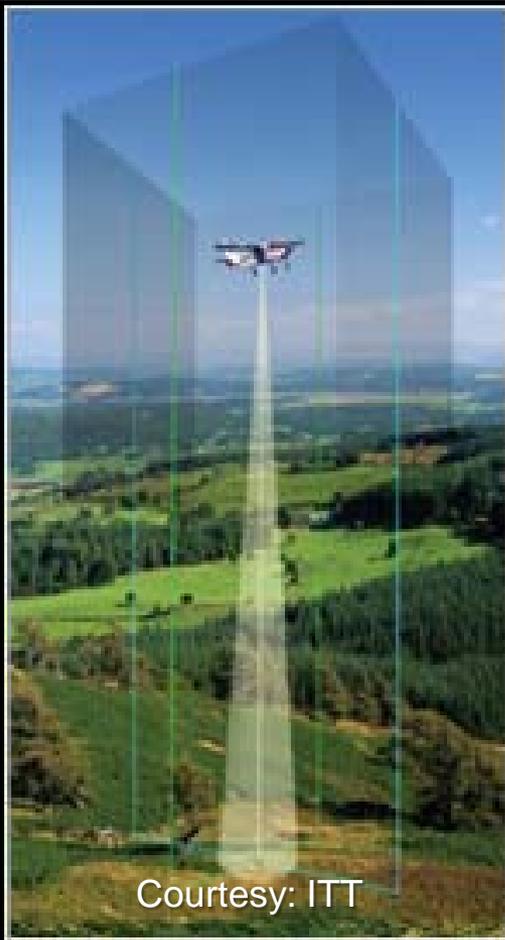
Courtesy:
Pipetel Technologies



Impact: Technology Development

Leak Detection:

- Improving detection thresholds for natural gas
- Integrating technology to both helicopter/fixed wing aircraft
- Expanding fixed wing technology to detect hazardous liquid leaks





Anticipated New Technology

Innovative tool to inspect unpiggable natural gas pipelines

- Untethered, 20"-26" up to 750 psi
- Currently in demonstration phase of research
- Additional pipe diameter inspection possible

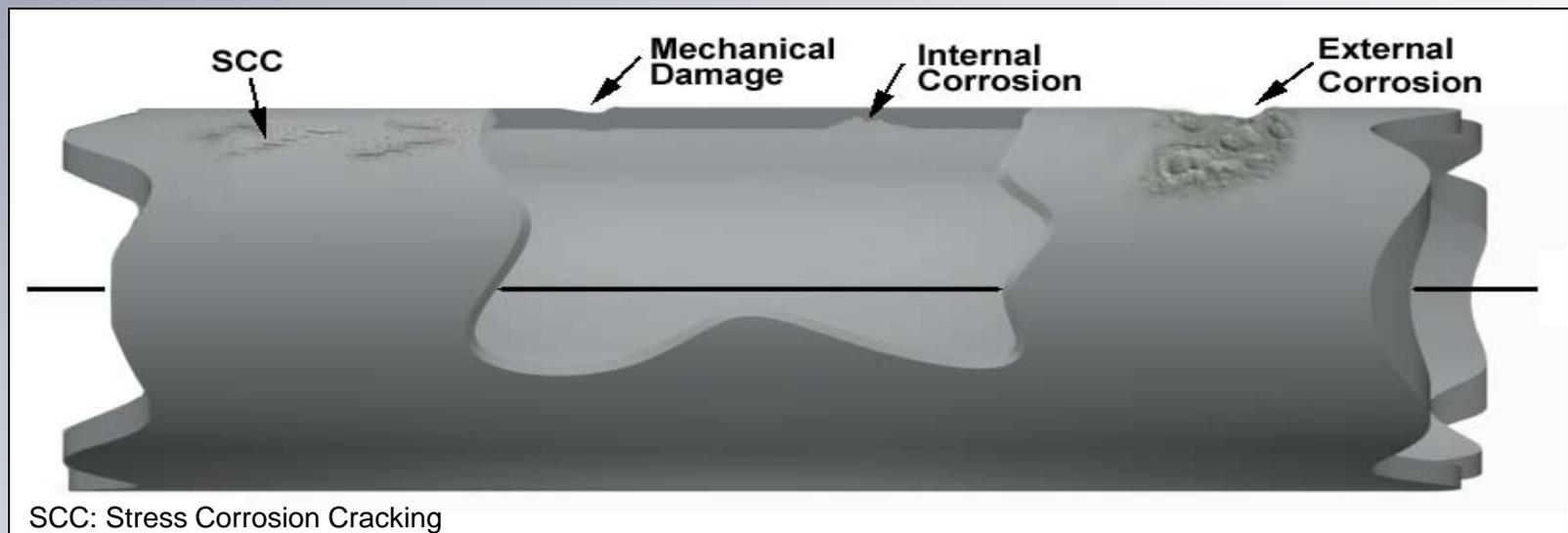




Anticipated New Technology

Several Hand Held Tools - New Sensors for In-Line Inspection

- Improved detection & Better sizing of identified defects
 - Magnetic Flux Leakage
 - Ultrasonic
 - Meandering Winding Magnetometer Arrays





Impact: Consensus Standards

Strengthening Consensus Standards

Number of projects targeting Consensus Standards: **62**

Number of projects results used to revise Consensus Standards: **4**

Number of Consensus Standards affected by projects: **41**

Number of Consensus Standards revised by project results: **3**

Number of project results sent to committee for use in possible revision: **11**

Impact Measured:

1. Welding standard with the American Petroleum Institute
2. Corrosion standards with NACE International

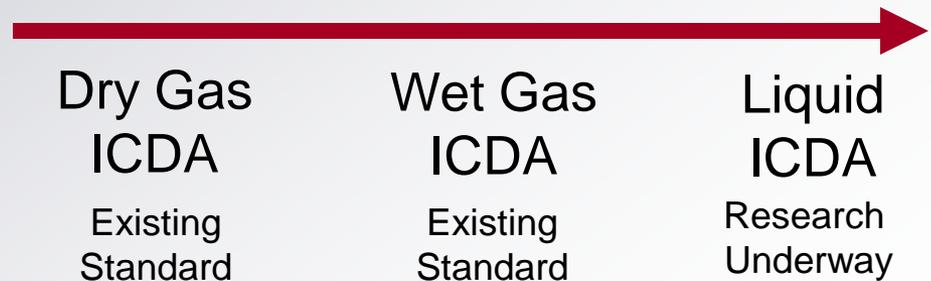
Data call in progress to update these impacts



Direct Assessment (DA)

- External Corrosion Direct Assessment improving since 2004
- Internal Corrosion DA slowly getting wetter
- DA now expanding into other threats including:
 - Stress Corrosion Cracking
 - Mechanical Damage
 - Ethanol

Threat	Pipeline Type	DA Method
External Corrosion	Natural Gas Hazardous Liquid	ECDA
Internal Corrosion	Dry/Wet Natural Gas & Hazardous Liquid	ICDA
Stress Corrosion Cracking	Natural Gas	SCCDA
Excavation Damage	Natural Gas Hazardous Liquid	MDDA





The Future is Bright!

- **This collaborative and co-funded research is leveraging resources, removing duplication and generating tangible solutions**
- **Program rapport is high with pipeline safety stakeholders**
- **Program outputs can be accelerated with additional resources**
- **Much more information is available at our program website**
 - <http://primis.phmsa.dot.gov/rd/>



Thank You!

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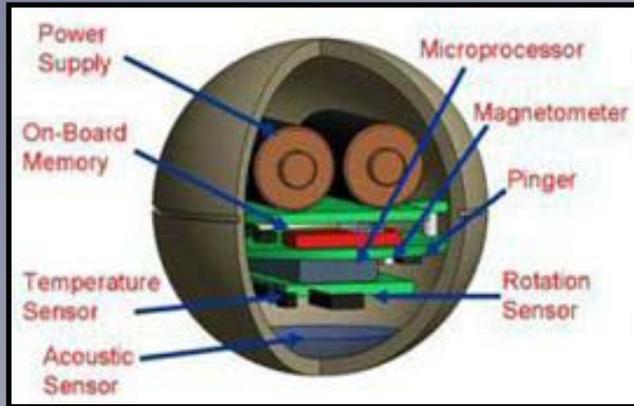
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Extra Slides



Anticipated New Technology



Leak Detection:

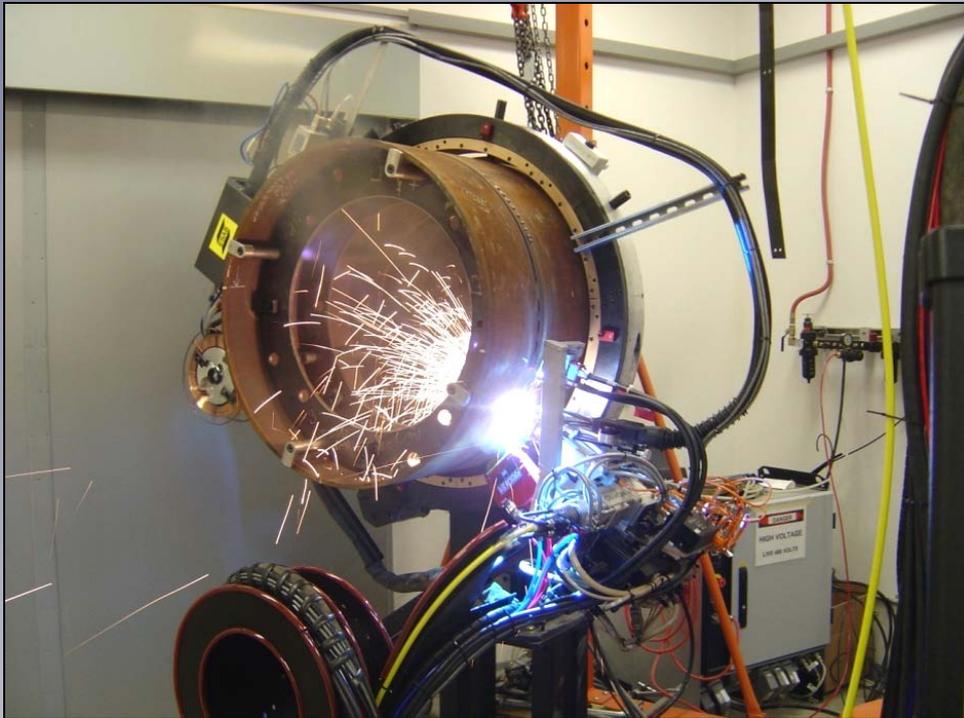
- Pinpointing leaks in Natural Gas and Haz. Liq. Pipelines

Corrosion Management:

- Pinpointing areas of water hold-ups to identify potential internal corrosion threats



Anticipated New Technology



Laser Welding Systems:

- Improved weld integrity
- Incorporates state of the art automated inspection technology