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2022

Spotlight on Pipeline Safety

New OQ FAQs +
Expanded PHMSA Gas
Gathering Requirements

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| EBOOK



Introduction

The U.S. spotlight on safety has grown brighter in light of the COVID-19 pandemic and as the Biden administration has made safeguarding workers a priority. Add the loss of skilled workers across industries, both due to the pandemic, an aging demographic of tradesmen and an average age of 56 years old, and you've got a sizable industry challenge.

The Pipeline and Hazardous Materials Safety Administration (PHMSA) addresses oil and gas operator safety with two recent documents: The Operator Qualification (OQ) Rule FAQs and the expanded Gas Gathering Pipelines Rule. Both documents encourage best practices in safety for workers and the environment, and also help support oil and gas organizations and contractors working to achieve compliance.

In this eBook, we break both rules down to help make safety and compliance a little easier.



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01

The Quest for Operator Qualification (OQ): New Rule FAQs

The OQ Rule, which was designed to govern the day-to-day performance of an oil and gas worker, went into effect in 2002. Intended to ensure a qualified workforce and reduce the likelihood of pipeline accidents, the OQ Rule can be vague and leaves much open to interpretation.

New OQ FAQs were released on January 28, 2022 to provide guidance around complying with the legacy rule. Yet the FAQs are not rules themselves and don't carry the weight of the existing regulations. They don't create legally enforceable rights, duties or obligations that aren't already part of the original regulation either. And yet, they were released for a reason — to aid businesses in their quest for compliance.

The danger is that the FAQs may now be seen by many as a shortcut for learning about the OQ Rule. Yet the FAQs may overreach, rather than mirror, the regulations, suggesting requirements that aren't set in stone.

The new FAQs provide guidance and additional information about when to introduce or require training and how technology can aid with training. With the workforce under increasing pressure due to a shrinking talent pool, and oil and gas contractors looking to bring a new generation of workers into the skilled workforce, training will play a central role.

However, the regulations require evaluation and training as appropriate after December 16, 2004. Interestingly, you can train for years and still never become qualified. The regulation mentions training not as an end in itself but as a method to ensure knowledge and skill to perform tasks. In other words, workers can perform tasks with the necessary knowledge and skills to ensure safe operation of pipeline facilities. Training is a separate event and does not equal qualification. Workers on the pipeline must be evaluated to establish qualification by demonstrating knowledge, skills and abilities to perform a covered task.

The FAQs, on the other hand, suggest training be incorporated into a contractor and hiring client's repertoire — and rightfully so. In the absence of experienced, mid-level workers, and in a setting with high turnover, it's nearly impossible to learn on the job. Everyone needs formal training to ensure safety and compliance for the whole organization.



02

FAQ #7 and #8: Key Questions

The complete FAQs include dozens of questions and answers, but sections 7 and 8 are the most relevant and impactful for oil and gas organizations today.

[FAQ #7](#) addresses training, stating, “Appropriate training is required to ensure that individuals performing covered tasks have the knowledge and skills needed to perform the tasks.” This suggests that training should be completed when:



**Onboarding New Employees to Your Organization,
Whether They Have Experience or Not**



Introducing Use of a New Piece of Equipment



**Reviewing Specifics Related to an Organization's Unique Pipeline
or Changes in Procedures for Performing Specific Tasks**



**Reviewing Information Annually, or Another Regular
Training Opportunity**



Retraining After a Failed Qualification



02

FAQ #7 and #8: Key Questions (continued)

[FAQ #8](#) deals specifically with computer-based or web-based training for both current employees and new hires. In short, online training is an acceptable form of training as long as it addresses the organization’s specific system characteristics, equipment and procedures.

Importantly, as the FAQ states, “Training programs and methods may be reviewed by regulators during inspections.” However, it’s critical to note that “appropriate” training has been interpreted many different ways over the years with the only guide being to ensure knowledge and skill to perform covered tasks.

In addition, organizations must maintain records for training and qualifications for all employees and contractors to ensure compliance with the regulations.

Qualification records should include:



Identification of Qualified Individual(s)



Identification of the Covered Tasks the Individual is Qualified to Perform



Date(s) of Current Qualification



Qualification Method(s)

According to the [OQ Rule](#), records must be maintained for current workers while that person is performing the covered task, and records of prior qualification and former workers must be retained for five years.



03

Best Practices to Achieve OQ Compliance

While the FAQs aren't the rule, they do offer additional information and can shape the way an inspector will examine your organization. When it comes to OQ Rule compliance, it's a good idea to be proactive. Use the new FAQs as a guide to help you mitigate risk and reduce risk to the public and the environment.

Ignoring the FAQs, on the other hand, can lead to significant consequences, including canceled projects and a damaged company reputation. A company that ignores public safety won't be given opportunities for new business.

To maintain compliance and incorporate training from the FAQs, focus on these 5 best practices:

1 Offer Training

Whether this means preparing for workplace safety or a specific job, training is the key to risk management. Be sure the training you offer to employees is specific to the policy, workplace procedures and their specific role. The FAQs specify the importance of training in a few key instances:

- When significant changes in the procedures for performing the covered tasks should be the subject of training for all individuals performing those covered tasks
- For equipment variations or differences
- For individuals who fail initial qualification or qualified individuals who fail requalification, appropriate remedial training should be provided in their areas of deficiency prior to reevaluation

Generally, the FAQs stipulate businesses should provide training to “ensure individuals have the skills and knowledge necessary to perform covered tasks on the operator’s unique pipeline system.”



03

Best Practices to Achieve OQ Compliance (continued)

- 2 Review Policies and Procedures**

Every organization has workplace policies and procedures, but it's critical to share them with the people doing the work, whether they are employees or contractors. Review your existing policies and procedures first to ensure they are complete, and then determine the best way to communicate them to your workers. Whether it's a signature upon review or a formal testing process, require everyone to participate before they come on site.
- 3 Maintain Records**

If you are training employees or contractors to prepare them for qualification, it's critical to maintain those records as well as any supporting documentation for 5 years. Documentation should include all the basic information: name, task, qualification and method of how they qualified. This paper trail provides proof of training to inspectors and helps workers better manage risks.
- 4 Ensure Qualification**

Everyone who comes on site to perform covered work must be qualified prior to performing covered task(s) or work under a span of control of a qualified employee. Verify individual qualifications before starting any project.
- 5 Re-evaluate Training Needs**

Demonstrating qualification doesn't happen only once. The FAQs mention updating and reviewing the operator's procedures, in particular, in the event of any significant change. Training must be continually updated as well, especially as pipeline systems change, procedures change, or as new technology and equipment is introduced. Develop a process to consider new training and qualification needs on a regular basis.



04

New PHMSA Gas Gathering Requirements

The [new rule](#) recently released from PHMSA expands safety and reporting requirements for operators of gas gathering pipelines, including **425,000 miles of lines** that were previously unregulated.

The newly targeted pipelines were traditionally low-pressure lines in rural areas and were considered low risk. Today, with increased fracking, the pressure in these lines has increased significantly, and the risks are now similar to larger transmission lines.

The new rule goes into effect in May 2022 — and organizations will have to take steps to stay in compliance. To remain in compliance, oil and gas companies with gas gathering pipelines will have several benchmarks to meet, including:



Identifying Assets



Completing an Annual Report
(including pipeline mileage, facilities, commodities transported, miles by material, and installation dates)



Reporting Incidents and Other Safety Concerns



Preparing an Emergency Response Manual



Public Awareness Program



Line Markers



Leak Surveys



Corrosion Control

The regulation creates new categories of pipelines that must meet some (or all) of these benchmarks, depending on the size of the pipeline and the type of neighborhood. The Type R pipelines are subject to incident reporting and annual reporting requirements, while the Type C pipelines are subject to a series of safety standards.



05

Achieving Compliance

A new regulation coming into effect means a lot of change for affected businesses. The Annual reporting component of this regulation won't be required until March 2023. However, incident reporting is required for events occurring after May 16, 2022.

Oil and gas organizations should consider these best practices as critical steps to tackle now:

1 Identify the Start and Endpoints of Your System

Perhaps the most critical first step, endpoints must be designated by the effective date of November 16, 2022. Be sure to accurately identify the start and endpoints of your pipeline, and document the methodology to demonstrate transparency and operational safety in all areas.

2 Review Workplace Processes and Procedures

With all eyes on the human effect on the environment, it's likely that oversight will increase in the future. It's worth looking over your organization's processes and procedures not only to ensure compliance with the new requirements within the regulatory timeframes but also to consider your organization's agility when it comes to making changes. As new rules come into effect, you'll have to adapt your processes and procedures to meet the changing regulations.

3 Consider Future Implications

Integrating this rule with other PHMSA initiatives may be complicated, especially when it comes to some of the directives under the [PIPES Act of 2020](#). Thinking through the details carefully can help create efficiencies over the long term.

About Veriforce

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Veriforce is the world's premier supply chain risk and compliance management network, comprising more than 650 hiring clients, more than 50,000 contracting companies, over 9,000 accredited safety trainers and authorized evaluators, and over 2.5 million workers. It's this network that makes Veriforce the preferred partner for companies that strive to ensure a safe, qualified third-party workforce, to stay ahead of risk, and achieve optimal business performance. Company offices are located in The Woodlands, TX, Covington, LA and Calgary, AB.



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