

approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq.

List of Subjects in 48 CFR Parts 203 and 252

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Parts 203 and 252 are proposed to be amended as follows:

1. The authority citation for 48 CFR Parts 203 and 252 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 203—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

2. Section 203.570 is revised to read as follows:

203.570 Prohibition on persons convicted of fraud or other DoD contract-related felonies.

3. Section 203.570-2 is revised to read as follows:

203.570-2 Policy.

(a) Contractors or subcontractors shall not knowingly allow a person, convicted after September 29, 1988, of fraud or any other felony arising out of a contract with DoD, to serve—

(1) In a management or supervisory capacity on any DoD contract or first-tier subcontract;

(2) On its board of directors;

(3) As a consultant, agent, or representative; or

(4) In any capacity with the authority to influence, advise, or control the decisions of any DoD contractor or subcontractor with regard to any DoD contract or first-tier subcontract.

(b) The period covered by the prohibition in paragraph (a) of this subsection is not less than 5 years from the date of conviction unless waived in the interest of national security by the agency head or designee. Prohibition periods greater than 5 years may be imposed upon a written determination by the agency head or designee. A copy of each such determination shall be provided to the Bureau of Justice Assistance, U.S. Department of Justice, 633 Indiana Avenue, NW., Room 470, Washington, DC 20531.

4. Section 203.570-5 is revised to read as follows:

203.570-5 Contract clause.

Use the clause at 252.203-7001, Special Prohibition on Persons Convicted of Fraud or Other DoD

Contract-Related Felonies, in all solicitations and contracts exceeding the simplified acquisition threshold, except solicitations and contracts for commercial items.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

5. Section 252.203-7001 is amended by revising the section heading, the clause title and date, paragraphs (b) and (c), the introductory text of paragraph (d), and paragraph (h) to read as follows:

252.203-7001 Special Prohibition On Persons Convicted of Fraud or Other DoD Contract-Related Felonies.

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Special Prohibition on Persons Convicted of Fraud or Other DoD Contract-Related Felonies (XXX 19XX)

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(b) Any individual who is convicted after September 29, 1988, of fraud or any other felony arising out of a contract with DoD is prohibited from serving—

(1) In a management or supervisory capacity on any DoD contract or first-tier subcontract;

(2) On the board of directors of any DoD contractor or first-tier subcontractor;

(3) As a consultant, agent, or representative to any DoD contractor or first-tier subcontractor; or

(4) In any other capacity with the authority to influence, advise, or control the decisions of any DoD contractor or subcontractor with regard to any DoD contract or first-tier subcontract.

(c) Unless waived, the prohibition in paragraph (b) of this clause applies for not less than 5 years from the date of conviction.

(d) 10 U.S.C. 2408 provides that a defense contractor or first-tier subcontractor shall be subject to a criminal penalty of not more than \$500,000 if convicted of knowingly—

* * * * *

(h) Pursuant to 10 U.S.C. 2408(c), defense contractors and subcontractors may obtain information as to whether a particular person has been convicted of fraud or any other felony arising out of a contract with DoD by contacting The Office of Justice Programs, The Denial of Federal Benefits Office, U.S. Department of Justice, telephone (202) 616-3507.

(End of clause)

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DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

49 CFR Part 192

[Docket No. RSPA-97-2879; Notice 1]

Remotely Controlled Valves on Natural Gas Pipeline Facilities

AGENCY: Research and Special Programs Administration, DOT.

ACTION: Notice of public meeting.

SUMMARY: The Research and Special Programs Administration (RSPA) invites representatives of industry, state and local government, and the public to an open meeting on the use of remotely controlled valves (RCVs) on natural gas pipeline facilities. Congress mandated the use of RCVs on interstate natural gas pipeline facilities if it is determined as a result of a survey and assessment that the use of RCVs is technically and economically feasible and would reduce risks associated with a rupture of a natural gas pipeline facility. The purpose of this meeting is to gather information and discuss issues relevant to the survey and assessment.

DATES: The public meeting will be held on October 30, 1997, beginning at 9:00 a.m. Persons who want to participate in the public meeting should call (202) 366-4046 or e-mail their name, affiliation, and phone number to jenny.donohue@rspa.dot.gov before close of business October 17, 1997. The public meeting is open to all interested parties, but RSPA may limit participation because of space considerations and the need to obtain a wide range of views.

ADDRESSES: The meeting will be held in Houston, Texas at the Adam's Mark Hotel, 2900 Briarpark Drive at Westheimer. The hotel's telephone number is (713) 978-7400.

WRITTEN COMMENTS: Anyone may submit written comments. Persons who are unable to attend the public meeting may submit written comments on or before the deadline of November 28, 1997. Interested persons should submit as part of their written comments all material that is relevant to a statement of fact or argument. Late filed comments will be considered so far as practicable.

Send written comments to the Docket Facility, U.S. Department of Transportation, Plaza 401, 400 Seventh Street SW, Washington, DC 20590-0001. Comments should identify the docket number (RSPA-97-2879). Commenters should submit an original and one copy. Commenters wishing to receive

confirmation of receipt of their comments must include a stamped, self-addressed postcard with their comments. The docket clerk will date stamp the postcard and return it to the commenter. Comments will be available for inspection at the Docket Facility, located on the Plaza level of the Nassif Building in Room 401. The Docket Facility is open from 10:00 a.m. to 5:00 p.m., Monday through Friday, except on Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lloyd W. Ulrich, telephone: (202) 366-4556, FAX: (202) 366-4566, e-mail: lloyd.ulrich@rspa.dot.gov regarding the subject matter of this notice or the Dockets Unit, (202) 366-5046, for copies of this notice or other material in the docket.

SUPPLEMENTARY INFORMATION: The Accountable Pipeline Safety and Partnership Act of 1996 (codified at 49 U.S.C. 60102 (j)) required that, "Not later than June 1, 1998, the Secretary [of Transportation] shall survey and assess the effectiveness of remotely controlled valves to shut off the flow of natural gas in the event of a rupture of an interstate natural gas pipeline facility and shall make a determination about whether the use of remotely controlled valves is technically feasible and economically feasible and would reduce risks associated with a rupture of an interstate natural gas pipeline facility."

"Not later than one year after the survey and assessment are complete, if the Secretary has determined that the use of remotely controlled valves is technically and economically feasible and would reduce risks associated with a rupture of an interstate natural gas pipeline facility, the Secretary shall prescribe standards under which an operator of an interstate natural gas pipeline facility must use a remotely controlled valve. These standards shall include, but not be limited to, requirements for high-density population areas."

RSPA is aware of the consequences when a natural gas pipeline that has experienced a rupture is not isolated quickly by closing valves on either side of the ruptured section. A high pressure gas transmission pipeline failure occurred in Edison, New Jersey on March 23, 1994. The failure of the 36-inch pipeline resulted in the escaping gas igniting and creating a fireball 500 feet high. There was one death and approximately 50 injuries. Radiant heat from the fireball ignited the roofs of buildings located more than 100 yards from the failure, destroyed 128 apartments and resulted in the evacuation of 1,500 people. The

casualties were limited because the few minutes between the time of the failure and the explosion allowed residents to vacate the area. The gas company using a manually operated valve took 2½ hours to isolate the ruptured section of pipeline, which contributed to the severity of the damages.

The experience in New Jersey resulted in the adoption of a set of new rules by the New Jersey Board of Public Utilities (BPU) covering the installation, operation, and maintenance of intrastate natural gas pipelines in the state of New Jersey. These rules became effective March 17, 1997.

One of the new BPU rules requires each operator to submit a Sectionalizing Valve Assessment and Emergency Closing Plan for sectionalizing valves in class 3 and class 4 locations¹. All valves in class 3 and class 4 locations are to be evaluated and prioritized as to the need for installation or retrofitting of a RCV or automatically controlled valve (ACV). Each plan is to include training of appropriate personnel on emergency plans and procedures. An emergency closing drill that simulates shutting down a selected section of the pipeline is required once each year. Reports of the closing drills are to be submitted to the BPU. RSPA is unaware of similar requirements in other states.

RSPA is also aware of a comprehensive report sponsored by the Gas Research Institute (GRI) on ACVs and RCVs². The report addresses the evolution of ACVs in the natural gas industry. The report specifically addresses the risk of false closures, line section blowdown duration, and typical valve spacings. The report stresses the unreliability of ACVs because the pipeline failure detection systems used to trigger the closure of ACVs often mistake normal operating transient conditions as a pipeline failure. The report concludes that the installation of ACVs or RCVs will not prevent gas ignition because ignition usually occurs within ten minutes of a rupture, long before a line section could be blown down, even if it was isolated immediately after the rupture. However,

¹ A "Class 3 location" is defined in 49 CFR 192.5 as any class location unit (an area that extends 220 yards on either side of the centerline of any continuous 1-mile length of pipeline) that has 46 or more buildings intended for human occupancy, or any area where the pipeline lies within 100 yards of either a building of small well-defined area that is occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period.

A "Class 4 location" is defined in 49 CFR 192.5 as any class location unit where buildings with four or more stories above ground are prevalent.

² Southwest Research Institute, "Final Report, Remote and Automatic Main Line Valve Technology Assessment," July 1995, Sponsored by the Gas Research Institute (GRI-95/0101).

early closure can reduce the duration of burn down and radiant heating of the area.

Consistent with the President's Regulatory Reinvention Initiative (E.O. 12866), RSPA wants to explore this congressional requirement with the maximum stakeholder involvement. Toward this end, RSPA is seeking early participation in the survey and assessment process by holding this public meeting at which participants, including RSPA staff, may exchange views on relevant issues concerning remotely controlled valves (RCVs). This public meeting is in partial satisfaction of the "survey and assess" portion of the Congressional requirement. RSPA hopes the public meeting will enable government and industry to reach a better understanding of the problems and potential solutions before proposed rules are considered.

RSPA will use the data accumulated as a result of this public meeting along with any state experience disclosed during the public meeting, and the GRI report on ACVs and RCVs to determine the technical and economic feasibility of using RCVs on natural gas pipeline facilities.

Participants at the public meeting are encouraged to focus their remarks on the following issues, but may address other issues as time permits and in supplementary written comments:

A. What is the potential value of early detection and isolation of a section of pipeline after a failure in terms of enhanced safety and reduced property damage?

B. What are the technical and economic *advantages* of installing RCVs?

C. What are the technical and economic *disadvantages* of installing RCVs?

D. What states in addition to New Jersey have adopted regulations concerning RCVs on intrastate natural gas pipeline facilities?

E. If RCVs were required in only high risk areas, what would constitute high risk areas and what would be criteria for prioritizing from highest to lowest risk?

F. Document cases where RCVs have malfunctioned causing them to close unexpectedly or to not close when commanded by the dispatcher.

G. Document cases where RCVs operated after an accident to reduce the consequences of the accident.

H. Provide documentation to support or refute the impression that when the escaping gas from a failed gas pipeline ignites, it normally occurs shortly after the accident, usually less than 10 minutes after the accident.

Issued in Washington, D.C., on October 24, 1997.

Richard B. Felder,

Associate Administrator for Pipeline Safety.

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