

Update: Operator Qualification Contractor Issue Still Unresolved

October 25, 2001

In just over a year's time, the new requirements of the Operator Qualification Rule will be in effect. As the deadline quickly approaches, the requirements being placed on contractors are still unclear. Anderson Consulting, Training & Testing (ACTT) will be publishing a monthly update in reference to the Operator Qualification Rule in relation to pipeline contractors. ACTT is like other pipeline contractors in that we continue to receive conflicting information concerning what we will be required to do regarding our employees who engage in covered work for our pipeline operator customers.

We had received notice from one of our pipeline customers that we needed to provide a written plan by September 1, 2001, which has been completed. We have received additional correspondence from other gas transmission pipeline companies directing us to sign up for an internet document management system called Qualifier. We have received strongly worded suggestions to sign up for the qualification program being offered by The National Center for Construction Education and Research (NCCER). Others have advised us to use the programs that the Midwest Energy Association (MEA) and New England Gas Association (NEGA) have created. And still others have advised us to create our own program. We sure you have received similar notifications.

The major problem with this input is what will our pipeline operator customers demand from us and what will they accept? There are many unanswered questions. For example, "How many programs do I need to develop?" "Do I need one program for the liquid pipeline companies and another for the gas companies?" "How many associations will I need to join?" "Should I buy the MEA program, the NCCER program or the NEGA program?" "How many subscription fees will I need to pay to have my documents maintained?" "If I pay to develop my own program, will I be wasting my money and will it be accepted by the pipeline operators?"

These are frustrating and confusing questions and real money is at stake. Many contractors have expended money and manpower in an effort to understand the new rule and how the pipeline operators are interpreting the rule.

Some of the correspondence you have received from a few of the pipeline operators have been strongly worded regarding what you should do. This has caused tremendous stress because large amounts of money can be at stake in the form of alliance contracts. With the compliance deadline just over a year away, many are left without a clear path to follow.

As of today, a few associations are developing contractor task lists with performance criteria. These associations are putting together training modules and providing assistance on how to conduct evaluations. Additionally, qualification documentation database systems are being developed.

While all of this is encouraging, the question still remains the same. "What does my pipeline operator require?" If you only work for one pipeline operator, your work to comply with the new regulations will be relatively straightforward. For those contractors who work for multiple pipeline operators, the path is anything but clear.

With all of that said, there is some hope on the horizon. On December 4-5, 2001 in Nashville, Tennessee at the Loews Vanderbilt Plaza Hotel, a meeting will be held involving several gas industry associations in an attempt to clarify some of these issues. The conference is sponsored by the following associations: American Gas Association, American Public Gas Association, Interstate Natural Gas Association of America, Midwest Energy Association, New England Gas Association, Southern Gas Association and Western Energy Institute. The purpose of this conference is to share thoughts, ideas, and concerns regarding the Operator Qualification Rule. Scheduled to be addressed is the contractor issue. ACTT will be in attendance and will publish a summary of the conference.

In addition to this conference, the Interstate Natural Gas Association of America (INGAA) has authorized the funding of an effort to standardize a contractor task list that would be supported by the large interstate gas transmission companies. INGAA is trying to have the standardized list ready by the end of 2001.

ACTT is committed to keeping you up to date on what the various organizations are doing and what will be of the most value to your company regarding compliance with these regulations so you can concentrate on your core business.

If you have any specific questions, please forward them on to ACTT and we will address them in the next issue. If do not wish to receive these Operator Qualification newsletter updates, please let us know so we can remove you from the mailing list. If you have information to contribute, please submit any information and comments to Chris Scheve at chriss@ceconet.com or call 713-663-1671.