

eliminated the former exception of direct sales natural gas pipelines from the definition of an interstate gas pipeline facility. As a result, direct sales gas transmission pipelines subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) formerly considered to be intrastate pipelines for purposes of the pipeline safety laws are now defined as interstate pipelines. As interstate pipelines, direct sales pipelines are subject to the applicable Federal pipeline safety regulations and PHMSA is responsible for regulatory oversight and enforcement. In some cases, inspections of these pipelines may continue to be conducted by a State pipeline safety agency acting as PHMSA's representative.

**FOR FURTHER INFORMATION CONTACT:** Cheryl Whetsel, (202) 366-4431, or by e-mail at [cheryl.whetsel@dot.gov](mailto:cheryl.whetsel@dot.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Background**

The Federal pipeline safety laws (49 U.S.C. 60101 *et seq.*) define an "interstate gas pipeline facility" as a facility subject to the jurisdiction of the FERC under the Natural Gas Act (15 U.S.C. 717 *et seq.*). Prior to the passage of the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 (PIPES Act) (Pub. L. 109-468), the interstate gas pipeline facility definition contained an exception for a gas pipeline facility transporting gas from an interstate gas pipeline in a State to a direct sales customer in that State buying gas for its own consumption. Because of this exception, these pipelines were considered to be intrastate pipelines and were regulated on a state-by-state basis. Section 7 of the PIPES Act changed this by eliminating the exception. As a result, direct sales gas transmission pipelines subject to FERC jurisdiction formerly considered to be intrastate pipelines for purposes of the pipeline safety laws are now considered to be interstate pipelines.

As interstate gas pipeline facilities, direct sales pipelines are subject to the applicable Federal pipeline safety regulations and PHMSA is responsible for regulatory oversight and enforcement. Subjecting direct sales gas pipelines to the same requirements as other interstate gas pipelines should provide improved regulatory certainty and ensure consistency in regulatory requirements.

In cases where a State has both an annual certification for gas under 49 U.S.C. 60105 and an agreement under 49 U.S.C. 60106(b), inspections of these direct sales pipelines may continue to be conducted by a State pipeline safety

agency acting as PHMSA's representative although any enforcement action must be referred to PHMSA. If the line has a State certification from the State Public Utility Commission (PUC) that such State PUC has regulatory jurisdiction over the rates and service of the line and is exercising it, that would be grounds for concluding that the line is not subject to FERC jurisdiction and therefore can be regulated as an intrastate pipeline by a State having a certification for gas under 49 U.S.C. 60105. This change does not affect direct sales pipelines that are intrastate pipelines because they extend from another intrastate line to the consumer.

**II. Advisory Bulletin (ADB-08-01)**

*To:* Owners and Operators of Gas Transmission Pipeline Systems.

*Subject:* Notice to Operators of Gas Transmission Pipelines on the Regulatory Status of Direct Sales Pipelines.

*Advisory:* PHMSA advises gas transmission pipeline operators that the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006 eliminated the exception of direct sales natural gas pipelines from the definition of an interstate gas pipeline facility. As a result, direct sales gas transmission pipelines subject to the jurisdiction of FERC formerly considered to be intrastate pipelines for purposes of the pipeline safety laws are now defined as interstate pipelines. As interstate pipelines, direct sales pipelines are subject to the applicable Federal pipeline safety regulations and PHMSA is responsible for regulatory oversight and enforcement. In some cases, inspections of these pipelines may continue to be conducted by a State pipeline safety agency acting as PHMSA's representative.

**Authority:** 49 U.S.C. chapter 601; 49 CFR 1.53.

Issued in Washington, DC, on May 7, 2008.

**Jeffrey D. Wiess,**

*Associate Administrator for Pipeline Safety.*

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**DEPARTMENT OF THE TREASURY**

**Fiscal Service**

**Surety Companies Acceptable on Federal Bonds—Termination: North Pointe Insurance Company**

**AGENCY:** Financial Management Service, Fiscal Service, Department of the Treasury.

**ACTION:** Notice.

**SUMMARY:** This is Supplement No. 13 to the Treasury Department Circular 570, 2007 Revision, published July 2, 2007, at 72 FR 36192.

**FOR FURTHER INFORMATION CONTACT:** Surety Bond Branch at (202) 874-6850.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that the Certificate of Authority issued by the Treasury to the above-named company under 31 U.S.C. 9305 to qualify as acceptable surety on Federal bonds was terminated effective May 1, 2008. Federal bond-approving officials should annotate their reference copies of the Treasury Department Circular 570 ("Circular"), 2007 Revision, to reflect this change.

With respect to any bonds currently in force with this company, bond-approving officers may let such bonds run to expiration and need not secure new bonds.

However, no new bonds should be accepted from this company, and bonds that are continuous in nature should not be renewed.

The Circular may be viewed and downloaded through the Internet at <http://www.fms.treas.gov/c570>.

Questions concerning this notice may be directed to the U.S. Department of the Treasury, Financial Management Service, Financial Accounting and Services Division, Surety Bond Branch, 3700 East-West Highway, Room 6F01, Hyattsville, MD 20782.

Dated: May 2, 2008.

**Rose M. Miller,**

*Acting Director, Financial Accounting and Services Division.*

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**DEPARTMENT OF THE TREASURY**

**Foreign Assets Control Office**

**Additional Designations, Foreign Narcotics Kingpin Designation Act**

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Notice.

**SUMMARY:** The Treasury Department's Office of Foreign Assets Control ("OFAC") is publishing the name of one additional entity whose property and interests in property has been blocked pursuant to the Foreign Narcotics Kingpin Designation Act ("Kingpin Act") (21 U.S.C. 1901-1908, 8 U.S.C. 1182).

**DATES:** The designation by the Secretary of the Treasury of the one entity identified in this notice pursuant to