
**Remarks as Written for Delivery by
Carl T. Johnson
Administrator
Pipeline and Hazardous Materials Safety Administration
U.S. Department Of Transportation**

**American Gas Association
Annual Leadership Meeting
Washington, DC**

April 3, 2008



REMARKS FOR CARL T. JOHNSON
ADMINISTRATOR
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION
AGA ANNUAL LEADERSHIP MEETING
WASHINGTON, DC
-- APRIL 3, 2008 --

Thank you Robert for such a great introduction and thanks to each of you for welcoming me here today. *[Robert Skaggs is President & CEO of NiSource, Inc and AGA chair of the Leadership Council]*

On behalf of the Bush Administration, Secretary of Transportation Mary Peters, and the Pipeline and Hazardous Materials Safety Administration (PHMSA), we thank you for your leadership.

The ideas and business practices of the natural gas industry to enhance public safety and protect America's lifelines begin with each of you in this room and are passed down to those on the front lines. For this reason I welcome this opportunity to sit among you to discuss how we can further advance these efforts.

As you know, I am fairly new to the Department and PHMSA. During my first meeting with Secretary Peters, she made it clear that safety is the Department's number one priority.

To hear this was very reassuring. Safety has been the focus of my life for the past 20 years as President of the Compressed Gas Association – the safety and standards organization for the industrial and medical gases industry. A position I retired from in April of last year.

I agreed to return to full-time employment at PHMSA to serve as Administrator of an agency with the best possible mission. And what a capstone this has been for a career in safety.

PHMSA's first Administrator and now Deputy Secretary of Transportation, Admiral Thomas Barrett, instilled a vision for successful PHMSA-stakeholder relationships that embraced many organizations, including the American Gas Association (AGA).

I am pleased to come to an agency that is so committed to working with its partners to accomplish its mission. But, I must say I was concerned about how much there is to do – and the time to get it accomplished is extremely short. The good thing is PHMSA is a remarkable agency with a dedicated staff of professionals and great stakeholders.

In just a few days of my arrival, I learned about our good fortune in securing passage of the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 (PIPES Act).

I understand that PHMSA stakeholders, such as each of you, played a key role in getting bipartisan support for this Federal legislation – which we know is a result of some of the nation’s worst pipeline accidents.

The recent completion of PHMSA’s Strategic Plan drives virtually all the actions of the agency and has made our job easier to address PIPES Act initiatives. Since the plan’s publication PHMSA has focused on building our capability to make best use of information to drive down risk and guide the decisions we make. And I believe we are doing just what we have promised in our Strategic Plan.

Since the passage of the PIPES Act, we are making better use of information to improve safety. Perhaps most importantly, we have improved our ability to investigate and understand safety issues – not just incidents, but the first indication of safety concerns.

Our goal is to help build an industry environment where “safety culture” is standard practice to help prevent incidents from happening.

We've found that individual corporate executives' commitment to safety and their effective management of information to drive down risk are critical. As a result, we are continuing to work with trade associations to promote safety culture at the national level as a way to inspire improved performance.

Soon we will be challenged with new pipeline designs, materials and technologies related to the increased use of alternative fuels. Certain alternative fuels pose very unique emergency response challenges. Only by working together to understand what they are can we be ready to help communities prepare.

Our concern is less "if" these new products can be moved safely, but "how" – and how can we contribute to making it happen easier and sooner. We've notified the public of our intent to regulate these new products, if we weren't already regulating them. We have worked with individual operators to identify safety concerns that must be satisfied, both within the infrastructure and with the surrounding community.

We are working with other Federal agencies to think about the transportation implications of alternative fuels from marketing

inceptions, as part of a systemic planning process. We are also working to help States more.

PHMSA is working to help States gain more resources for oversight of the infrastructure under their jurisdiction and help stakeholders reduce damage to pipelines. Since 1996, we have provided grants to our State partners to improve communication among excavators and owners of underground facilities.

The President's FY 2009 budget proposes increased funding to State agencies by an average of about 50 percent over prior year levels and brings us closer to the goal of reimbursing States for up to 80 percent of their program costs. Similarly, in the area of damage prevention assistance, we are providing additional resources to help States achieve full performance of all nine program elements found in the PIPES Act.

With the demand for new pipelines growing, and the perpetual growth and encroachment of communities on existing pipelines, the need for continued PHMSA-stakeholder collaboration is ever more important.

In 2007, the pipeline and excavator industries teamed up to form the Excavation Damage Prevention Initiative (EDPI). We appreciate the work that Phil Bennett and Kyle Rogers are doing to support this important safety initiative.

The States had strong input to this guidance and developed a guide to the nine elements explaining the intentions of a “nine point program” and how to get there. But there are other ways to help communities live safely with pipelines. One of the most important of these is guiding communities to make safe land use decisions.

You may have heard of the Pipelines and Informed Planning Alliance (PIPA) – modeled after the successful Common Ground Alliance. With increased pressure for more underground infrastructure, including new pipelines, we need to find ways to get advice to local officials regarding land use near existing and potentially new pipelines. PIPA is well worth our time and effort and we hope to count on your support for this important initiative.

As quickly as the year has passed, I know the remainder will speed by as well. When I think about how I can make a difference in such a short time, supporting your work and advancing initiatives that are important to you is at the top of the list.

We have worked with the AGA on input to regulations for distribution integrity management programs (DIMP), including requirements for operators to install excess flow valves, and are moving to publish a proposal by the fall. But getting ready for DIMP is a lot more than a rule. It takes a system – and with your help, we built one.

We now have consensus standards, guidance, training, IT for databases, and more resources for oversight. Getting 50 States to implement a performance standard takes a lot more preparation than preparing a single Federal entity.

As we move along, we will always welcome input from the AGA and other stakeholders to tell us if we're headed in the right direction. We have learned that we can multiply the success of our efforts to improve safety by sharing responsibility and accomplishments.

With your insight and input, we can continue to ensure that key pipeline safety programs, and the issues surrounding them, get the attention they deserve. Together, we can keep the nation's energy products moving safely, and move our economy to new heights.

All of us at PHMSA and across the Department of Transportation stand ready, and willing, to work with you and are proud to be your partners in pipeline safety.

Thank you again.

###