
**Speech as Written for Delivery by
Cynthia L Quarterman
Administrator
Pipeline & Hazardous Materials Safety Administration
U.S. Department Of Transportation**

**Council on Safe Transportation of Hazardous Articles (COSTHA)
2010 Forum**

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**REMARKS FOR CYNTHIA L. QUARTERMAN
ADMINISTRATOR
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
COUNCIL ON SAFE TRANSPORTATION OF HAZARDOUS ARTICLES
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[Introduction]

Thank you Bob, [Robert “Bob” Heinrich – COSTHA President] for inviting me here today, and giving me the opportunity to speak to the COSTHA team. Also thank you for your willingness to accommodate my schedule today.

Let me say how delighted I am to be here and on such a beautiful day.

On behalf of the Obama Administration, Secretary LaHood, and our team at the Pipeline and Hazardous Materials Safety Administration (PHMSA) let me say thank you for your commitment to public safety in the transportation of hazardous materials, and thank you for your patience as we navigate a difficult period in PHMSA’s history.

I have already had the opportunity to meet some of the members and staff of the Council for the Safe Transportation of Hazardous Articles (COSTHA) and I look forward to having the opportunity to meet more of you. I have an open door policy and believe it is important to weigh the opinions, experiences and comments of all stakeholders in order to make the best decisions in government and move away from conflict and toward consensus.

As you know, PHMSA has been busy addressing some deficiencies identified by Congress and the Inspector General in its Hazmat program. Under the leadership of the new Associate Administrator for Hazardous Materials Safety Dr. Magdy El-Sibaie, PHMSA has completed the Special Permit Action Plan created by Deputy Secretary Porcari, and is well on its way in implementing two other action plans on Approvals and IT and Data Analysis.

I am extremely happy that Dr. El-Sibaie accepted the mantle of responsibility for the Hazardous Materials Safety Program and I think that you will be impressed by his leadership of this program. I encourage you to come to meet him the next time you are in Washington if you haven't already done so.

As many of you here may be aware, it has been a time of great change within PHMSA and the Hazardous Materials Safety Program. Not only because of the new leadership, but also because of the significant challenges the program has faced in the past several months.

The evaluation of the program started by the Congress and the Inspector General has been a watershed event for the agency. In order to respond more nimbly to those challenges, we had to make leadership changes not only at the highest levels but throughout the organization. Some of the former management team that you have probably grown to know well over the years was asked to lead the effort to respond to the immediate challenges brought on by the investigations. In their place, others are seeing to the day-to-day management of the ongoing operations. The day-to-day operations themselves have changed significantly as we both try to change the course of the organization as we are rebuilding it. For the first time, the program will not rely only on the historic knowledge of individuals to oversee its program and make decisions, but will have in place systems and standard operating procedures to follow so that its processes are consistent, well-documented and transparent.

I know that this organization has had a good working relationship with PHMSA over the years, and we intend to make sure it stays that way. I believe that we have a way to go to improve our internal processes but I hope at the end of the day those changes will make you say that PHMSA is better than ever.

Let me provide an overview of activities that have PHMSA's attention this year.

- Addressing ongoing challenges with our Special Permit and Approval programs,
- Updating our Hazardous Materials Regulations to address important safety issues such as lithium battery safety, wetlines, loading/unloading, and incorporating special permits into regulations,
- Leading international hazardous materials standards determinations and harmonizing them where appropriate,
- Modernizing our information technology systems and improving our data analysis capabilities,
- Addressing aging workforce concerns, and
- Enhancing the agency's overall safety culture.

The special permit and approval challenges I have already addressed to some extent. But you should know that in a very short time, the PHMSA team has conducted a top-to-bottom review of our Special Permit and Approvals policies, procedures, practices, and staffing. The outcome of that review was a commitment to execute three action plans:

- One for the Special Permits Program,
- One for the Approvals Program, and
- One for IT Modernization and Data Collection and Analysis.

The plans address:

- The process and procedures used to manage the programs;
- The criteria used to assess and document an equivalent level of safety;
- The process for evaluating the fitness of applicants and their safety performance;
- The need for increased compliance audits and oversight of special permit and approval holders;
- The requirement of enhanced accountability of those operating under the terms of special permits and approvals;
- and

- The need to modernize the IT system that supports the program.

PHMSA has completed the tasks within each of these plans on schedule and is on target to fulfill each action plan with the exception of eliminating the approvals backlog by April 15th. However, we are now in a better position with respect to the backlog than we have been in years. The IG recently released its audit report on special permits and approvals and concluded that PHMSA had successively implemented half of its recommendations.

In February, as part of a temporary reorganization of the Hazmat Safety Office, we designated a special team to review all active special permits – about 1,250 – and identify those that should be incorporated into the HMR. In addition, we increased by 50% the special permit and approval staff to focus on the significant backlog in that area.

And in an ongoing process, the hazmat team will routinely review recently granted special permits each year and will initiate a rulemaking to propose incorporating them into the HMR, as warranted. We welcome your recommendations on any special permits that should be incorporated into regulations.

PHMSA is committing significant new budget and staff to the Hazmat Safety Program and will continuously review and improve processes and regulations related to Special Permits and Approvals. We have seen budget and staff increases in the past year and are requesting more in 2011. This past Monday we had 12 new employees join us.

These actions will promote the efficiency of our overall safety, oversight and regulatory service.

[Regulations]

As we continue to reengineer our program, we cannot stop making ongoing improvements to our regulations. As you probably know, one hazmat issue with transportation and safety risk consequences is the movement of lithium batteries, especially by air. We are in the middle of a rulemaking on that issue right now and plan to move forward quickly to issue a final rule.

That is not the only regulatory issue of importance that we plan to tackle this year. We are also looking closely at wetlines and, loading and unloading. We hope to have notices of proposed

rulemaking out about those two issues later this year. We have also started and will continue to look for opportunities to incorporate as many special permits into regulations as appropriate.

[International]

In support of PHMSA's efforts to promote a consistent global framework for the safe transportation of hazardous materials, PHMSA developed and published on its website an international strategic plan. This document identifies our vision, challenges, opportunities, and priorities with respect to our international work.

PHMSA is committed to ensuring that U.S. safety interests continue to play a pivotal role not only in our domestic harmonization efforts but also in the development of the international standards upon which our harmonization efforts are based.

PHMSA plans to continue to take a leading role in the development of international transportation regulations consistent with U.S. safety and security interests. Our commitment to this effort has not diminished in the least.

Recently, PHMSA published a revised hazmat security plan rule that is a good example of our ongoing international harmonization efforts. The revision is largely consistent with the list of materials in the UN Recommendations on the Transport of Dangerous Goods that are designated as high consequence dangerous goods.

The rulemaking narrows the list of materials subject to a security plan, which reduces the cost and paperwork required for a number of shippers and carriers of hazmat.

As the U.S. representative, we will continue to work to ensure U.S. regulations remain compatible to the greatest extent practicable with international regulations. We recognize that a harmonized regulatory framework promotes compliance, enhances safety, and helps ensure the U.S. remains competitive in a global economy.

You might want to put on your calendar a public meeting PHMSA will sponsor at DOT headquarters on June 9th. A Federal Register notice with more details will be published soon. Your feedback on a number of issues will help to develop U.S. positions that will be considered at the UN this year.

[IT]

On the IT and data analysis front, data should drive the decisions within PHMSA, however, it is evident that that has not necessarily been the case in the past and there is a great need to improve how we gather and analyze data.

PHMSA's Hazmat Information System has surpassed its useful life and is a liability and a limiting factor in PHMSA's ability to effectively and efficiently execute its mission.

Using 21st Century IT solutions, PHMSA will move towards a more robust technology platform that removes stove-pipes; leverages automation; provides for transparency; and promotes more timely collaboration and access to information for users and stakeholders. You will begin seeing positive changes to PHMSA's systems in the next several months that will show where we hope to go in the future to improve our IT in ways that help not only us but you too. The first such change is the availability of an online application beginning on May 1, which we think will work to greatly improve our special permit and approval programs.

[Aging Workforce]

Another area of interest and concern for PHMSA is the future hazmat workforce. With over 21% of our workforce eligible to retire now or within the next 5 years, we share your concern about succession planning. More disconcerting is the fact that more than a quarter of our PHMSA leaders are, or will be, eligible to retire within the next 5 years, and half of that group could walk out the door right now if they wanted to.

Trained and experienced hazmat professionals are essential to a safe hazmat transportation system. At the 29th Session of the UN Sub-committee of Experts on the Transport of Dangerous Goods in 2006, the Sub-committee expressed their concern regarding a “decline in the experts” on the transport of dangerous goods regulations. It is getting more and more difficult to find people who are interested in spending many years becoming an “expert.” PHMSA and COSTHA agree that training and outreach is needed to stimulate interest in the “next generation” of hazmat professionals within academic institutions, management organizations, trade associations, and anywhere where qualified candidates may be found.

In 2007, the Agency formed a work group to look at leadership succession planning. They recommended a competency model that has guided our efforts ever since. We have done more to enhance the development of our new supervisors since that time and have fostered the development of individual development plans throughout the organization. We have significantly increased our recruitment outreach to colleges and universities and have made a commitment to do much more hiring below the “journey” level of our jobs. Is there more to be done? Of course, but we are committed to sustaining our mission with a cadre of well qualified people and will continue to work to make that happen. And we expect to be in a hiring mode for quite some time, so we welcome your help in identifying great candidates for our positions.

[Safety Culture]

Finally, I would like to discuss what I think is a most important topic – Safety Culture.

None of the efforts at DOT and our hazmat stakeholders can succeed unless we all foster an overall Culture of Safety. All of us in this room can attest to the fact that our primary mission is in one way or another tied to transportation safety. And, it is not a job that we can do alone or take lightly.

A true Safety Culture begins with the leaders and managers of an organization who focus the attention and needed resources to meet the safety goals and mission of that organization.

There has to be encouragement and open communication by and between supervisors and employees to bring up and address safety issues.

That Safety Culture then grows and spreads to those outside organizations we work with or come in contact with on a regular basis. Nothing great happens in a vacuum, it requires interaction and cooperation.

Safety culture change is not simple: it involves people's values and beliefs, guiding their behavior, and developing and maintaining robust, effective safety management systems. As such, it takes a great deal of time and hard work from everyone involved.

To achieve a world-class safety culture, we are developing a safety partnership between the leadership, senior management, and employees. This relies on input from the staff to harness their ownership of, and commitment to, the execution of the new cultural change strategy.

The only way we can truly improve on public and environmental safety is to work together on our common safety goals.

We at PHMSA are here to extend our hand to anyone willing to join us in improving hazmat transportation safety.

[Conclusion]

With the insight and input of COSTHA and its members, we can continue to ensure that key transportation safety programs, and the issues surrounding them, get the attention they deserve. One key issue of concern to the administration right now is distracted driving. You probably have seen this topic discussed recently in the news as well as on popular TV shows like Oprah. Well, I am no Oprah, but I can say every single time someone takes their eyes or their focus off the road - even for just a few seconds - they put their lives and the lives of others in danger. That is true whether they are driving a boat, truck, train, plane or automobile.

Distracted driving is unsafe, irresponsible and in a split second, its consequences can be devastating.

I ask your assistance in spreading the word on the serious dangers posed by distracted driving. Make distracted driving a COSTHA safety priority.

Together, we can keep the nation's hazmat moving safely.

I would like to thank you again for having me here today.

All of us at PHMSA, and across the Department of Transportation, stand ready and willing to work with you.

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