



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

1200 New Jersey Avenue, SE
Washington, D.C. 20590

OCT 30 2013

Mr. Jeff Ruch
Public Employees for Environmental Responsibility
2000 P Street, NW
Suite 240
Washington, DC 20036

Dear Mr. Ruch,

On behalf of the men and women at the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Office of Pipeline Safety, who have dedicated their careers to ensuring that no harm results from the transportation of hazardous materials by pipeline, I am writing to offer an opportunity to discuss with your organization the great accomplishments our employees have achieved. As an organization that represents public employees who have expressed an interest in pipeline safety, I am sure our accomplishments would be of interest.

I also take this opportunity to correct recent information attributed to your organization related to our employees' activities that is severely inaccurate. As public employee representatives, I am sure that your goal is aligned with ours—to ensure that pipelines operate safely. Additionally, PEER's objective to protect public employees who protect the environment and to inform the administration, Congress, state officials, media and the public about substantive environmental issues of concern to PEER members, is complementary to PHMSA's mission to protect people and the environment from the risks associated with the transportation of hazardous materials.

Therefore, I request a meeting with your organization to help explain how our pipeline safety program operates, the infrastructure within our jurisdiction and the role of our personnel in fulfilling our mission. Specifically, we would like to discuss the following inaccuracies attributed to your organization:

PEER stated recently: *Of the more than 2.6 million oil, natural gas and propane pipeline miles regulated by PHMSA less than a fifth (583,692) has been inspected by federal or state officials since 2006.*

The data PEER relied upon to reach this conclusion pertains only to inspections performed by our 135 federal inspection and enforcement personnel and does not reflect inspections performed by our over 300 state inspection partners. For your information, only approximately 289,000 miles of the 2.6 million miles of pipeline is directly inspected by PHMSA. The remaining 2.3 million miles of pipeline is inspected by states pursuant to a delegation of authority from PHMSA. Over the last six years, PHMSA has inspected pipeline companies that operate virtually all (99%) of its jurisdictional miles. In fact, PHMSA inspections covering the over 583,692 miles of pipe that your organization cited indicates that PHMSA inspected its jurisdictional pipelines multiple times (*i.e.*, more than twice on average) during the 6 years from 2006-2011. Historically, our internal goal was to inspect a system/operator every 3-5 years, and we are moving to a new goal that could have us inspecting the highest risk

operators/pipeline annually. In sum, PEER's statement, which has been repeated by many media sources, is incorrect.

PEER stated: *Another 132,300 miles has been inspected by their operators during that same period but PHMSA cannot say whether any industry inspections have been independently reviewed.*

There is an important distinction between an inspection performed by PHMSA and its state partners for compliance with our regulatory requirements, and a pipeline operator's assessment of its own pipeline's integrity. Those assessments, most of which require access to the inside of the pipeline, are performed by operators to comply with our regulatory mandates. It appears that the 132,000 miles that your report refers to relates to those mandated integrity assessments; however, we have not been able to duplicate your number. Notwithstanding, when PHMSA and its state partners inspect pipeline operators, we review the operator's records and procedures, including its assessment results, as well as compliance with our other regulatory mandates, we also interview employees and observe field activities to identify potential noncompliance.

Operators perform the mandated integrity assessments upon their own facilities, and report to PHMSA annually the amount of pipeline mileage assessed. Those assessments are performed using in-line instrumented tools (commonly referred to as pigs), hydrostatic testing using water held at high pressures within the pipeline, and/or other methods. Those assessments must be performed in accordance with federal and state regulations. PHMSA and its state partners review the results of those assessments for regulatory compliance during their inspections. PEER's above statement, which was also cited by many sources, is incorrect.

PEER stated: *PHMSA spent nearly a quarter of a million dollars (\$245,938.36) in travel expenses for industry events, an amount substantially more than it spent in travel for all pipeline incidents (\$171,801.25).*

In its oversight of pipeline safety, PHMSA is obligated to communicate with all its various stakeholders, including representatives of the public, the states, and the 3000+ operators in the industries it regulates (which include the crude oil, refined products, natural gas distribution, natural gas transmission, public natural gas systems, highly volatile liquids, anhydrous ammonia, carbon dioxide, liquefied natural gas and other hazardous materials industries). Regardless of whether we are travelling to speak to regulated entities or others, or to conduct an inspection or investigation, 100% of what PHMSA does fulfills its mission to ensure pipeline safety. Your organization reported that over a five year period, PHMSA spent \$245,938 in travel costs to participate in industry meetings and events and \$171,801 on responding to significant spills, explosions and breakdowns. During that five year period, we have spent over \$2 million annually in travel costs to fulfill our pipeline safety mission. We are not sure what the basis is for your dollar estimates here. Pursuant to your FOIA requests, PHMSA supplied a list of our employees' travel costs to any conference, including those we and others sponsored, attended by our staff from 2006-2012; neither your request nor our response addressed any of our other travel costs (e.g., for inspections, investigations or response to significant spills, explosions and breakdowns) or other related costs. Accordingly, we cannot verify the basis for PEER's statement and, in any event, its entire premise is misleading.

PEER stated: *Since 2006, there have been more than 300 incidents, such as a spill, explosion or breakdown, which triggered no follow-up inspection.*

PEER did not distinguish between incidents that occurred on state regulated lines versus federally regulated lines. Therefore, it is impossible for us to determine how it arrived at 300 incidents and the extent to which that number includes incidents beyond PHMSA's jurisdictional reach. PHMSA considers every release an important event and reviews reports on incidents every day. Some incidents require immediate onsite investigation. Others, such as a minor leak with no public safety or environmental consequence, are addressed during scheduled inspections. Over the past six years, PHMSA has inspected more than 99% of operators that have experienced a significant pipeline incident subject to its jurisdiction and assisted the states with many under their purview. Once again, we cannot verify the basis for and must object to PEER's statement.

PEER stated: *PHMSA dispatched staff delegations to 850 conferences and meetings with industry. These events chewed up almost 3,000 staff days in an agency with a staff of approximately 500. These numbers dwarf the 970 staff days spent responding to significant pipeline incidents.*

PHMSA conducted 369 accident investigations between 2007-2012. All reportable incidents are investigated. For non-significant incidents, investigations may not include an onsite inspection. Rather, the investigator requires operator personnel to send its records to PHMSA, interviews people by phone, evaluates the incident, and takes actions deemed appropriate.

Out of the 850 conferences cited, approximately 190 were sponsored by industry trade associations or standards-writing committees. Many of these meetings are with standards-writing committees and subcommittees where PHMSA provides input into the consensus standard setting process.. PHMSA's involvement in that process is critical to influence industry standard development. These activities are an important part of toughening industry standards and PHMSA regulations that may reference them. Many of the remaining 660 meetings were actually meetings with other regulatory agencies such as State Pipeline Safety Agencies, public safety advocates such as Pipeline Safety Trust, or other stakeholders other than the regulated pipeline operators.

It is important to understand how inspectors, investigators and enforcement personnel spend their time. These dedicated professionals work very hard under often adverse conditions, and I feel a very strong obligation to explain their safety mission and related activities in detail. They are on call 24 hours a day, 7 days a week. For example, over the past few years there have been incidents that occurred during major holidays including Christmas, Passover and the Fourth of July where PHMSA and/or state staff left their families for the call of duty. Upon arrival, they often face cataclysmic devastation such as at San Bruno, California; Marshall, Michigan; Allentown, Pennsylvania; Salt Lake City, Utah; Mayflower, Arkansas; and on the Yellowstone River in Montana. Investigating such grim scenes in the aftermath of a significant incident takes a great human toll. I am sure you would agree, the public employees who do this job deserve the greatest of admiration and respect. I also object to statements that are insulting to our employees such as: "PHMSA is like the college student who does his research assignments at frat parties rather than in the library." These kinds of characterizations are unprofessional and do not further the cause of safety. Moreover, it is insulting to the men and the women who are part of PHMSA's pipeline safety team.

Your organization's report about how our employees spend their time did not capture time spent investigating accidents, researching causes, inspecting facilities, preparing inspection, investigation and violation reports, conducting lab work, creating failure analysis determinations or many of the other tasks associated with investigating a pipeline incident. That information also does not attempt to include investigation work that occurs in an office, on-line, or at local facilities.

For your information, in 2012 alone, PHMSA pipeline safety regional personnel conducted 1,163 inspections, working a total of 16,043 days: 8,515 days in the office and 7,528 days out in the field. (These figures do not include time spent by state inspection personnel who are funded by PHMSA.) The allocation of their time follows:

- 38% unit level inspections;
- 20% operator level inspections (larger, often system-wide inspections);
- 17% stakeholder outreach (damage prevention, land planning, etc.);
- 10% teamwork (continuous verification of inspection methodologies);
- 10% training;
- 5% compliance verification (includes special, non-routine evaluations).

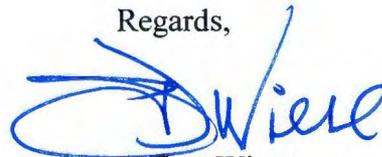
Most of these safety professionals are degreed engineers who conduct safety inspections as well as incident investigations. Every inspection and investigation is different. Some inspections may be conducted by one person over the course of a week. Other inspections involve 3-5 engineers and are conducted over several weeks. Some incident investigations are so complex, our engineers and technical specialists spend months analyzing data and determining how company actions contributed to an incident.

This information clearly refutes your organization's claim that PHMSA "spends much more of its resources attending industry events and conferences than it does responding to pipeline spills, ruptures and blasts." This statement is flatly wrong, and it is not supported by fact, data or evidence.

PHMSA and the hundreds of public employees that it employs take its safety responsibility very seriously. On behalf of our pipeline safety professionals, who have dedicated their lives to protecting the public and the environment, we look forward to having the opportunity to discuss with PEER representatives our accomplishments and your statements identified above.

Please contact me at 202-366-4578 to schedule a meeting so we can discuss these issues in further detail. We look forward to hearing from you soon.

Regards,



Jeffrey Wiese
Associate Administrator
for Pipeline Safety