



**REMARKS FOR CYNTHIA QUARTERMAN
ADMINISTRATOR
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
KEYNOTE ADDRESS
CGA ANNUAL MEETING
LAS VEGAS, NV
-- MARCH 7, 2012 --**

INTRODUCTION

Thank you, Bob Kipp, for that kind introduction. And thank you to the Common Ground Alliance (CGA) for giving me an opportunity to speak here today. On behalf of President Obama, Secretary LaHood, and the employees of the Pipeline and Hazardous Materials Safety Administration (PHMSA), we commend CGA for educating the public about damage prevention to underground infrastructure. Secretary LaHood has specifically emphasized the importance of the responsibility we share to keep our communities safe.

I won't spend a lot of time today talking about the importance of damage prevention or how important it is to call 811 before you dig. You already know that.

Indeed, CGA has always been at the forefront of promoting safe digging and 811.

As we mark the 5th anniversary of 811, we can all be proud of the fact that our collective efforts have contributed to the steady decline in pipeline incidents with death and injury, despite the growing U.S. population and increasing demand for energy.

More specifically, all pipeline incidents related to excavation damage has markedly declined. The number of serious incidents involving fatalities, injury resulting in hospitalization, property damage, or barrels spilled is declining. We have seen excavation pipeline incidents decline from 15.6 percent in 2007 to 10.8 percent in 2011.

If we look deeper, the five-year average shows that excavation damages is 26.5 percent (the second leading cause) of all reported gas distribution pipeline related incidents. We anticipate with the roll-out of gas distribution integrity management, that we will begin to see over the next couple of years, a decline in the percentage of gas distribution pipeline incidents caused by excavation damage.

My message to you today is that our work is not done. Now is not the time to take our foot off the gas pedal—no pun intended. There are new pipeline projects coming on line, such as those related to the Marcellus Shale and the recently announced Keystone project from Cushing to the

Gulf. And the flip side is that existing pipelines are aging and must be either rehabilitated or replaced.

If these types of incidents, one out of three pipeline incidents involve people who did not call 811 *before* starting a project that involved excavation.

So public education and the messages of call before you dig, wait the appropriate amount of time for the underground infrastructure to be marked, observe the markings when digging, and dig with care are more important than ever.

The bottom line is that these incidents can be prevented if people are informed. In this age of transparency, the public expects and deserves to have access to the tools and information they need to live their lives safely, especially regarding our nation's pipelines. PHMSA and CGA provide safety information – we just have to make sure the public knows about it.

In addition to promoting 811, I ask you to help PHMSA remind the public that we provide pipeline profiles for each state on our Stakeholder Communications [website](#).

And PHMSA also offers automatic email alerts about our activities. Sign up and be notified immediately, daily, or weekly when we post new information on <http://phmsa.dot.gov>. Please share this information and tell your stakeholders about these tools in your newsletters. Provide a link to them from your websites so we can reach even more people. Tweet about 811 and the state pipeline profiles. Post the links on your Facebook wall.

Congratulations again to all of you as we mark the five-year anniversary of 811. This five-year anniversary reminds us of what we can achieve through shared responsibility. I applaud the dedication of so many people to help make sure our common underground networks remain as safe, efficient, and reliable as possible.

PHMSA appreciates these damage prevention efforts and that is why we will continue to support the CGA. For example, in addition to me, we have other staff here, and this year we continue our support of CGA as a platinum level sponsor.

Now I'd like to take just a few minutes to update you on recent PHMSA national and state damage prevention initiatives.

State Coordination -- PHMSA is committed to working with our state partners to continue strengthening the safety and oversight of the nation's pipeline infrastructure. We will continue to coordinate with and support states through funding, training and other resources. We recognize that state pipeline safety program staffs work diligently to ensure the safety of the pipelines they inspect and the people who live and work around those pipelines.

Many states have passed new or revised damage prevention laws that have significantly strengthened their damage prevention programs. Congratulations to states, such as Maryland and Washington, who recently passed legislation to strengthen enforcement of their one call laws. We know of at least 10 other states currently working to improve their state one call laws,

including efforts to address membership, notification requirements, marking standards, as well as effective enforcement. We applaud those efforts and offer our support.

The continued use of exemptions in state one-call laws remains an area of concern. PHMSA will conduct a study to understand the impact of excavation damage and exemptions that contribute to pipeline damages. In order for one call laws to be truly effective and fair, all underground utilities—including pipeline operators, one call centers, locators and excavators—must play by the same rules. The use of exemptions disrupts an otherwise strong one-call program by allowing a group of stakeholders to operate under separate rules.

States are improving their programs in other ways like hosting Damage Prevention Safety Summits. Many states including Texas, Mississippi, Missouri, New Mexico, Ohio, and Iowa hosted damage prevention educational summits. These summits are often modeled after the CGA conference, bringing a broad spectrum of stakeholders together and we understand that they have been well attended. Keep up the great work!

Grants -- PHMSA provides grant funding to support state-level damage prevention initiatives. Since 2008, PHMSA has provided over \$6 million dollars in State Damage Prevention Grants (SDP) to 30 states to assist with the implementation of the nine elements of an effective damage prevention program. These nine elements are widely recognized as characteristics of a strong state program. We are in the process of finalizing the 2012 SDP grants and anticipate making those awards in the spring.

Awareness -- As part of ongoing public awareness efforts, federal and state programs are evaluating the effectiveness of pipeline operators' public awareness programs. By the close of 2012, PHMSA intends to complete the evaluations, review the results, and identify potential enhancements to the public awareness program.

PHMSA is in planning a public awareness public workshop to be held in the fall to discuss the findings from the evaluations and discuss how to strengthen public awareness programs.

Recommended Practices -- We all recognize that land development near pipelines increases the likelihood of excavation damage to the pipeline. PHMSA worked with numerous stakeholder organizations to develop the Pipelines and Informed Planning Alliance (PIPA) recommended practices. PIPA promotes the recognition of land use planning developments near transmission pipelines. PIPA is a great program but we need to do more to get local officials to engage and begin adopting some of the recommended practices. That is why a communications team is currently developing and will implement outreach and education strategies. We want to make sure local governments know where pipelines are located through the National Pipeline Mapping System (NPMS) and promote the inclusion of hazard mitigation in local planning efforts.

Regulations -- PHMSA has taken the next step to implement federal enforcement of third-party excavation damage to pipelines. Third-party excavators are excavators who are not employees or contractors of the pipeline operator. Under the PIPES Act, PHMSA is granted limited “backstop” authority to conduct civil enforcement against third-party excavators in the event that a state has failed to do so effectively. We are in the final approval phase for publishing the

Notice of Proposed Rulemaking to enforce against third party excavators who unlawfully damage underground pipelines during excavation activities.

LOOKING FORWARD

In January, President Obama signed into law the Pipeline Safety, Regulatory Certainty, and Job Creation Act. This law will enable us to strengthen our program by assessing increased of penalties, writing regulations for automatic shut-off valves, addressing exemptions from participation in state one call laws, and carrying out many other important new initiatives. Of course, this Act is a significant accomplishment resulting from shared responsibility in the pipeline safety community.

As I am sure you know, the President's Fiscal Year 2013 proposed budget requests \$276 million and 647 positions for PHMSA to improve safety and increase accountability by hiring more inspectors, increasing coordination with states and educating the public.

And last, but certainly not least, as we all know, National Safe Digging Month is next month and you will see and hear PHMSA aggressively promoting 811. Stay tuned... We encourage all of you to help promote the "Call Before You Dig" and 811 messages to the stakeholders and clients that you work with on a daily basis. Together, our collective outreach and education efforts are making a difference.

Thank you again for the opportunity to speak with you today. I offer you my best wishes for a successful conference. And remember to spread the word – know what's below: call 811 before you dig!

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