



**REMARKS OF CARL T. JOHNSON  
ADMINISTRATOR  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
U.S. DEPARTMENT OF TRANSPORTATION  
CGA ANNUAL MEETING  
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Thank you, Tim, for that wonderful introduction. And thanks to each of you for the warm welcome.

On behalf of the Bush Administration, Secretary of Transportation Mary Peters, and the Pipeline and Hazardous Materials Safety Administration (PHMSA), we thank you for all you do. Your volunteer efforts to enhance public safety and to protect America's lifelines are among the highest forms of public service.

As many of 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. This was very reassuring to me, since safety has been the focus of my life for the past 20 years.

Just a year ago, I was President of the Compressed Gas Association, the other CGA, which is the safety and standards organization for the industrial and medical gases industry. I held that position since 1988. I retired from that position 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. What a capstone for a career in safety. My purpose now is to support PHMSA's safety mission and help however I can in fulfilling that mission.

In just a few days on the job, 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 – a vital step in creating the national focus we need for damage prevention.

The PIPES Act helps States improve their damage prevention programs based on 9 key elements in the statute. But the Congress drew on your work in developing best practices to get to these final nine elements.

The CGA I headed last year is an industry sponsored standards developing organization. Your “CGA,” the Common Ground Alliance, has an even broader coalition of stakeholders bringing together communities of people with a common mission and asking them to share responsibility for achieving that mission...reducing the potential for damage to pipelines. I understand that’s what you do, and I have great respect for what you have accomplished.

Now I have the opportunity to experience first hand the development of a new enterprise based on the CGA model. You may have heard of the newest enterprise, the Pipelines and Informed Planning Alliance (PIPA). It’s modeled after your work.

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.

It’s been nearly a year now since Secretary Peters joined you on the National Mall in Washington, D.C. to kick off the 8-1-1 Public Awareness Campaign. Not only does the Secretary still express her commitment to protecting America’s vital underground infrastructure, she still talks about “BUD” and the Before-You-Dig – 811 kick off event. I know she wanted to be here today.

I know that year has gone by quickly and I know this year will speed by as well. When I think about how I can make a difference, I know that supporting your work is at the top of the list. I am eager to work with you to meet your goals and to build on your record of accomplishment.

PHMSA support of the CGA is a great example of solving problems through education, without regulation. Our top priority is helping states build stronger damage prevention programs.

Over the past twenty years, construction related damage has caused 35 percent of serious pipeline incidents. In 2007, construction related damage was reduced to less than 29 percent of serious incidents, resulting in four fatalities and ten injuries. Even though the numbers show we are making progress, we still have plenty of opportunity for improvement. This is why 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. Soon we expect to award nearly one million dollars to eleven States who use the nine essential elements for effective damage prevention.

Although these grants will be used for a variety of projects, all of the projects have one thing in common – stakeholder collaboration.

The need for collaboration is even more important now because our communities are growing and encroaching on existing buried infrastructure, including pipelines – and the demand for more buried infrastructure is growing.

In our efforts to find ways to improve safety in distribution pipelines, we found a decreased rate of pipeline damage in States with effective One-Call enforcement programs. Still, only a handful of States have really strong enforcement programs. Although some States are making improvements, some seem to be taking little action. Given the positive impact fair enforcement has, PHMSA will continue to support States seeking to improve. Applications for State Damage Prevention Program grants will be accepted through April 18.

The PIPES Act has set a new model for enforcement in Federal law. Our intent is to create an example States can draw upon, to make clear what an effective program is and when the State “has the ball.” If a State doesn’t act, then the Federal government can come in, but we strongly prefer this does not happen. I would like to hear from you what you think is relevant in this area.

In 2007, the pipeline and excavator industries teamed up to form the Excavation Damage Prevention Initiative (EDPI). The States had strong input to this guide and developed a guide to the nine elements. This document is now available on the CGA web site and provides examples of specific actions stakeholders can take to implement the nine essential elements.

In reality, we continue to ask stakeholders with common goals to share responsibility for improving overall system safety, and our efforts are paying off. Your Damage Information Reporting Tool (DIRT) is very important in reducing risk to underground facilities. When using the DIRT tool to analyze over 51,000 events in 45 States and one Canadian province, the most frequently reported root cause was “no notification made to the one-call center.”

With the growing awareness of “8-1-1” this problem will diminish. PHMSA continues to encourage pipeline operators to include 811 in their safety awareness messages to stakeholders.

Protecting the underground is a shared responsibility. PHMSA is working to fulfill the Secretary's challenge of improving safety and reliability and PHMSA's collaborative R&D Program has a strong focus on damage prevention. New technologies are very important in the battle against damage to underground infrastructure which is why PHMSA and industry should continue funding the development of sensing, communications, and other technologies.

Together, we can continue to give America's underground infrastructure the protection it deserves. The work you do as the CGA has made you an important force in the eyes of local, state and Federal governments. When you speak about the importance of protecting underground facilities, people listen.

The Department of Transportation, PHMSA, and I stand ready to work with you.

We are proud to be partners with you in reducing damage to pipelines and to our communities.

Thank you.

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