
**Speech as Written for Delivery by
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**REMARKS FOR CYNTHIA DOUGLASS
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DANGEROUS GOODS ADVISORY COUNCIL
31ST ANNUAL CONFERENCE
SAN ANTONIO, TEXAS
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[Introduction]

Thank you Torsten [Torsten Helk, Chairman, DGAC Board of Directors] for that wonderful introduction, and to each of you for giving me the opportunity to speak today.

Let me say how delighted I am to be here. The Obama Administration, Transportation Secretary Ray LaHood, and our team at the Pipeline and Hazardous Materials Safety Administration all appreciate having you as partners in fulfilling our commitment to public safety and environmental protection.

My whole career has been spent on transportation and hazmat issues in jobs that spanned both the public service and private sector. So, I understand many of the issues and concerns you may have, and am open to hearing any new issues of importance to you.

I want to assure you of DOT's commitment to transportation safety. Both the Secretary and Deputy Secretary recently reaffirmed that their first priority is transportation safety. It is important that our communities, as well as the workers engaged in hazardous materials commerce, are able to count on the safe and secure transport of these shipments.

[PHMSA & Hazmat Commerce]

PHMSA is proud of its safety mission. We oversee the safe and secure movement of over 1 million daily movements of hazardous materials through the air; on the railroads, seas and waterways; and over the highways. Large volumes of the hazmat also move by pipelines, out of the view of most Americans.

Currently, more than 3 billion tons of regulated hazardous materials – including explosive, poisonous, corrosive, flammable, and radioactive materials – are transported each year. And while it is easy for the public to get the wrong impression when they hear the term “hazardous materials,” in reality, we are talking about materials that are essential to our citizens and our economy.

Hazardous materials fuel automobiles, heat and cool our homes and offices, and are used in farming, medical applications, manufacturing, mining, and other industrial and food processes. Shipments of hazardous materials frequently move through populated or sensitive areas where an accident could result in loss of life, serious injury, or significant environmental damage.

While we take our regulatory oversight responsibilities at the Department of Transportation very seriously, we also recognize that regulation alone is not enough to fulfill our safety mission. This is why it is important for us to continue to strengthen our relationships with you and other PHMSA stakeholders.

With American businesses creating new technologies containing complex chemical compounds and products, we must all consider their implications on emergency responders and the general public. These new chemicals pose very unique emergency response challenges. Only by working together to understand them 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.

My association with DGAC goes back a number of years. It is good to be back among old friends.

PHMSA and DGAC share common safety goals, and closer coordination between our organizations will enable limited resources to be leveraged against the growing hazardous materials transportation risks.

We see opportunities as well in the Hazmat Registration Program. Every year, about 10 percent of our hazmat registrants drop out and we see about the same number of new registrants. We are concerned that registration rates could be improved. PHMSA just completed a preliminary study in this area and we see the need to develop new approaches to this age-old problem of many hazmat shippers and carriers not registering.

We can certainly use DGAC's help in finding the ways to improve incident reporting, registrations to ship and carry hazmat, and to reduce the number of undeclared hazmat shipments.

Our partnership with the Dangerous Goods Advisory Counsel keeps us in touch with your concerns. You are the hazmat “force multipliers” that enable us to magnify our safety effectiveness.

Increased production, manufacturing, and transportation of chemicals and energy products make it imperative that we improve and expand our joint cooperative efforts.

[New Leadership]

Several exciting things are happening at PHMSA that you may or may not be aware of. The first is new leadership for the agency.

On September 15th, President Obama announced his nomination of Cynthia Quarterman to be the third PHMSA Administrator. And this past Monday Ms. Quarterman was sworn-in by Secretary LaHood and is already moving forward with agency business.

Ms. Quarterman brings with her an impressive resume of accomplishments dealing with oil and gas pipeline issues and hazardous waste clean-up litigation.

Also, in the area of program management, on October 1st, Secretary LaHood assigned Dr. Magdy El-Sibaie as the Acting Associate Administrator for Hazardous Materials Safety. Dr. El-Sibaie comes to PHMSA from his previous position as the Federal

Railroad Administration's Director of Research and Development. We are glad to have someone of Dr. El-Sibaie's vast experience and background on the PHMSA team.

Helping him is Ryan Posten as the Assistant Associate Administrator for Hazardous Materials Safety. You may know Ryan from his previous position as PHMSA's Director of Hazmat Enforcement.

As I said earlier, Secretary LaHood regards transportation safety as the Department's primary mission, and these personnel moves make sure that PHMSA regards safety as its primary mission.

[House T & I Testimony]

Other events of great interest were Deputy Transportation Secretary John Porcari's testimonies September 10th to the House Committee on Transportation and Infrastructure and November 16th to the Subcommittee on Railroads and Pipelines and Hazardous Materials.

The first testimony addressed the DOT Inspector General's concerns with PHMSA's hazardous materials program. The most

recent testimony focused on progress made in reducing hazards associated with cargo tank motor vehicle wetlines and the safe transport of lithium batteries.

As related to the first testimony, the DOT Inspector General this past July issued a management advisory recommending immediate action to prevent unsafe operations involving the transportation of explosives under four hazardous materials special permits.

The IG found:

- That applicants' fitness and safety performance are not considered as part of the evaluation of special permit applications;
- That PHMSA and Federal Motor Carrier Safety Administration do not share safety information before a special permit is issued; and
- That PHMSA has not addressed safety issues identified in investigations of accidents involving operations under special permits.

A key concern was special permits for explosives mixing trucks.

Every year, PHMSA issues approximately 120 new special permit applications, authorizes approximately 100 modifications to existing special permits, and issues approximately 1,100 renewals.

We recognize that there were deficiencies in the special permits program and are currently actively addressing these deficiencies with a detailed Action Plan.

Some of the actions include:

- Conducting a comprehensive, top-to-bottom review of current written special permit policies, procedures, and practices to ensure safety goals are met;
- Developing enhanced written procedures to provide for better coordination for the issuance of special permits with FMCSA, FAA, FRA and the U.S. Coast Guard; and lastly,
- Having a business plan in place to create a centralized data analysis office to improve the data quality and the IT systems currently in place. The new system will include an online application, a mechanism for alerting holders of special permits 90 days in advance of the expiration of the permit and a notification system to communicate safety concerns.

[Triple-Threat Trucks]

According to the DOT Inspector General, 8 of the 83 companies operating under the explosive mixing truck special permits experienced close to 200 incidents.

In order to address the IG's concerns, PHMSA built into its overall Action Plan a number of specific activities. These activities include issuing a notice of a proposed modification of the special permits for explosives mixing trucks to provide for additional safety conditions – including vehicle inspection and maintenance, enhanced driver training, incident reporting and investigation, fire prevention and emergency response plans.

The action plan also addresses our intent to evaluate each special permit holder's fitness to operate these trucks.

Next, we will contract for an independent risk assessment of explosives mixing trucks in transportation.

We will review documentation, including safety assessments and analyses, to ensure that documentation supports the issuance of a special permit.

And, we will rescind any special permit authorized for a holder who is considered unfit to safely transport these materials.

We anticipate that our Action Plan will evolve and change as we continue to solicit feedback and advice on how to improve the safety of this important program.

[Tank Truck Rollovers]

Besides multi-purpose trucks, tank truck rollovers are another area of interest to DOT, and our hazmat stakeholders, in improving public and environmental safety associated with hazmat in transportation.

DOT is concerned with rollovers of all types of motor vehicles, not just those that transport hazardous materials.

Most vehicle turnovers can be caused by many factors. In addition to driver training and vehicle design, other factors that affect rollovers include vehicle speed, highway and road design, weather conditions and actions with other vehicles.

A study conducted for DOT found that over 1,300 cargo tank rollovers are reported each year. Thirty-one percent of all fatal commercial tank rollovers involve cargo tanks. Seventy-eight of cargo tank rollovers involved driver error.

PHMSA is working with our modal partners in the Federal Motor Carrier Safety Administration and the National Highway Transportation Safety Administration to address safety issues

associated with rollover accidents and to develop effective measures to reduce the occurrence of these accidents.

DOT is currently conducting research to evaluate how stability control systems work for heavy trucks, to assess the potential safety benefits, and to develop objective performance standards for these systems.

PHMSA and the Federal Motor Carrier Safety Administration partnered with the National Tank Truck Carriers Association to host three rollover summits in 2007 to highlight rollover concerns and discuss possible solutions.

In 2008, PHMSA issued a safety alert to emphasize the importance of driver awareness and training in reducing rollover incidents. Together with FMCSA, we are working to develop a training video for drivers on how to avoid rollovers.

[Wetlines]

In Deputy Secretary Porcari's testimony to the House Subcommittee on Monday he gave an update on the Department's efforts in addressing the safety risks posed by the transportation of hazardous materials in unprotected product pipelines – otherwise know as wetlines.

In 1998, the NTSB recommended the Department prohibit the transportation of hazardous materials in wetlines. The Department recognizes the safety risks associated with wetlines and we take the NTSB's recommendation on wetlines very seriously.

Recently the Department completed an in-depth, comprehensive review of incident reports and other safety data to determine whether rulemaking action to reduce the risks associated with the transportation of hazardous materials in wetlines is necessary. The review included a detailed examination of incident reports over the last 10 years involving cargo tanks transporting flammable liquids to assess the severity of the risk and determine whether there are safety problems that warrant rulemaking or other action.

The review encompassed 6,800 incidents involving cargo tanks transporting flammable or combustible liquids that occurred during the 10-year period from 1999-2009 and identified 184 incidents in which wetlines were determined to be damaged and/or ruptured. A total of 18 of these incidents involved fires. A total of 13 fatalities and 7 injuries were associated with wetline incidents over the ten-year period. Of these, our initial conclusion is that 6 fatalities and 7 injuries resulted directly from the wetlines release. However, we continue to review the direct cause of the remaining 7 fatalities.

Based on this incident analysis, our assessment of newly available technologies to remove lading from product lines after loading and the consequence of event, we now believe that a rulemaking to prohibit the transportation of flammable liquids in wetlines can reduce the safety risks associated with such transportation without imposing undue cost burdens on the regulated community. Cost benefit analysis is important to our consideration for regulatory action, but we will also consider the potential risk and consequences of more severe accidents. We plan to issue an NPRM in 2010.

PHMSA continues to analyze its wetlines incident data and has decided to evaluate the effectiveness of existing or emerging technologies to address the risks. Any input from DGAC members in this regard would be most helpful in our evaluations.

[Lithium Batteries]

The last area of interest of the House oversight committee was the safe transport of lithium batteries, particularly by air.

In 2008, an estimated 3.3 billion lithium batteries were transported worldwide by all modes of transportation, including passenger and cargo aircraft. Lithium batteries are regulated as hazardous

materials because they can overheat and ignite in certain conditions and, once ignited, can be especially difficult to extinguish. Moreover, a lithium battery is susceptible to thermal runaway, a chain reaction leading to self-heating and release of its stored energy.

Incident information gathered by the FAA on 90 incidents occurring from 1991 to 2008 indicates that over a quarter (27 percent) of these incidents involved lithium batteries. Of the lithium battery incidents, 73 percent resulted from internal or external short-circuiting; 12 percent from charging/discharging; 6 percent from unintentional activation of devices; and 9 percent from causes such as malfunction of devices or improper handling of cargo.

Most types and sizes of lithium batteries are currently regulated as Class 9 materials under the DOT Hazardous Materials Regulations. The batteries themselves must pass a rigorous set of performance tests intended to demonstrate that the battery can withstand conditions encountered during transportation and can also withstand certain types of abuse. In addition, most lithium battery shipments are subject to stringent packaging and hazard communication requirements. Further, the regulations prohibit the

transportation of most metal lithium batteries as cargo on passenger aircraft. The prohibition resulted from FAA testing indicating that current aircraft cargo fire suppression system would not be capable of suppressing a fire if a shipment of metal lithium batteries were ignited in flight.

The NTSB investigated a February 7, 2006 incident at the Philadelphia International Airport in which a fire – suspected to have been caused by lithium batteries – destroyed a United Parcel Service cargo aircraft. While the crew evacuated the airplane after landing, sustaining only minor injuries, the NTSB concluded that flight crews on cargo-only aircraft are at risk from in-flight fires involving lithium batteries. Following the incident investigation, the NTSB issued five recommendations to PHMSA. Of particular concern to the NTSB and to DOT are shipments of small lithium batteries that currently are excepted from certain regulatory requirements.

That wraps up PHMSA's regulatory activities and gives you some insight into our activities with the Congressional oversight committees.

[Safety Culture]

Let me leave you today by touching on a most important topic – Safety Culture.

None of the efforts of DOT and our local and State transportation partners can succeed unless we all foster an overall Safety Culture. 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, I am sure we can all agree, it is not a job that we can do alone.

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 on a regular basis. Nothing great happens in a vacuum, it requires interaction and cooperation.

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

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

[Conclusion]

With your insight and input, we can continue to ensure that key transportation safety programs, and the issues surrounding them, get the attention they deserve.

Together, we can keep the nation's hazmat moving safely, and move our economy to new heights.

I would like to thank each of 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, and are proud to be your partners in hazmat safety.

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