



**Remarks as prepared for
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Before the
National Association of Pipeline Safety Representatives**

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Good Morning and thank you for inviting me to speak with you today. A special thank you to Michael Thompson and the board members for their flexibility with the agenda. I wasn't sure until Tuesday whether I would be able to come join you here or if I would be testifying before the House Subcommittee. For those of you who watched the Senate hearing on Tuesday or one of the several pipeline safety hearings over the past few months, I am sure that you know how truly and sincerely delighted I am to be with you here today instead.

Speaking with you today is important– not because I have an earth shattering message, but because I want each of you to know how much I personally appreciate the work you do. I appreciate the level of effort you put into assuring the companies you regulate are doing their job. When companies do their job, fewer people are hurt by pipeline incidents and the environment is better preserved.

My appreciation for what you do has been magnified by the recent pipeline incidents. When I took this job, I realized that people's lives were literally at stake, but it was not until this past summer when I had the occasion to call a mother to wish her condolences on the loss of her son, when I saw pictures of the oil soaked community in Michigan and when I saw the devastation wrought by the natural gas explosion in San Bruno, California that I had a new found respect for the job that you do. So today, I want to begin my talk with my heartfelt thanks on behalf of the Administration and the public at large. I would also like to give my condolences to our California Public Utility Commission partners who loss one of their members, and one of our sisters, in the San Bruno incident. I would like to dedicate our effort in the aftermath of that incident to finding out the cause and ensuring that Jaqueline Grieg's life was not lost in vain.

These recent incidents have profoundly changed the message I was planning to deliver here today. I know from Jeff Wiese and Zach Barrett and Alan and Linda and others that the federal and state programs, working together, are already a strong and effective partnership to protect people and the environment from pipeline risks. You have accomplished a tremendous amount over the years with limited resources. Our joint performance measures illustrate that point, showing a decreasing number of incidents and accidents over the years.

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That record is particularly impressive when you consider the aging pipeline infrastructure and increasing encroachment around pipelines. But as these recent incidents suggest, we have more to do. But I have to tell you the aftermath of these incidents could have been a lot worse if the Congress and the greater community did not recognize that great strides had already been made in pipeline safety.

I believe we are at a point in our relationship that we can, and should, be direct and honest with each other about what lies on the horizon. The very large Enbridge spill in Michigan and the tragedy in San Bruno have invited intense scrutiny of pipelines and those who regulate them. I suspect that you and your colleagues in NARUC¹ have received many calls about the pipelines in your state. We have been fielding record numbers of media calls and Congressional inquiries left and right. And we have been answering questions from our family and neighbors who saw the flaming homes in San Bruno. I imagine you have too.

We have been able to answer some questions. But there are some questions that remain because we don't have all the data we need to respond to public inquiries. Part of that is simply because we are all transitioning from the days of old with voluminous cabinets of paper to the electronic file cabinet where storage space seems limitless and the demands for more transparency and more data are intense. We aren't there yet, but we need to get there, and that includes a more seamless federal-state pipeline safety program. We are working to make our oversight more transparent, but we have a fair distance yet to go. I know Jeff and others have spoken with you about increasing data needs and consistent application of safety inspection and enforcement. I also know what we ask for is often not easy. That it often requires additional work on your part. I understand this and commit to helping ease the additional burden as much as possible. In these days of increased scrutiny we must all step up our game. We need to move to make more consistent and readily available inspection and enforcement data to all comers.

Without that the media, the Congress, the state governments and most importantly, the public, will continually question whether we are doing enough to assure pipelines are as safe as they can be: They are asking if our oversight is adequate. Now in my opinion, we have a good story to tell, but we need your help to tell it. We need to be able to speak of a national, seamless pipeline safety program with the data and performance measures to support it. I was asked the other day if state enforcement tools are the same as federal enforcement tools. I learned that some state laws support civil penalties equivalent to the federal program – but most do not. When the public looks in the window, they see that as a problem. I know that many of you may have little influence over changes to state law. What that means to me is that we at the federal level need to step up our efforts to help you with issues like these.

As to specific substantive changes to the pipeline safety laws and regulations, you probably know that the Administration recently offered a legislative reauthorization proposal. That proposal is intended to close some legislative gaps, ensure that all hazardous materials that travel by pipeline are subject to someone's jurisdiction, increase civil penalty authority,

¹ National Association of Regulatory Utility Commissioners

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review whether the integrity management program should be applied outside of high consequence areas and other things. There are also several bills circulating in the House and Senate now most of which are derived from the Administration's bill with some additional provisions. H.R. 6008, the bill sponsored by Cong. Schauer was passed by the House last night. One or more of these other bills may move forward in this or the next congress and become law.

In addition to the legislative proposals, we are in the process of issuing an advanced notice of proposed rulemaking relating to hazardous liquids. The intent of the rulemaking is to follow up on the integrity management program to review the adequacy of some of those requirements and whether they should be strengthened. The goal would be to do a comparable rulemaking on gas pipelines in a year's time.

To support these efforts, we need your help to identify areas where there are safety gaps and where improvements need to be made. As safety overseers, it is our responsibility to identify and close those gaps.

As someone mentioned to me last night, this group has become accustomed to the big incidents occurring in the federal program. The San Bruno incident has to be a wake-up call to us all to pull even closer together to work on pipeline safety matters. But I want you to always know that we have your back. We will not desert you if a major incident occurs. No one is ever truly ready for that and we will be there to support you to the maximum extent feasible.

On Tuesday, I testified before a Senate Committee about the value of our partnership and that, as your federal partner, we are your backstop. We will support you to the best of our ability whenever you call on a safety matter.

Over the last several years, we have worked to increase grant funding for the states and we will continue to stress the importance of healthy, robust state pipeline safety programs each time we get the chance. I am happy to announce that the Secretary has agreed once again that the matching requirements of the state base grants should be waived for another year.

I believe recent events and the coincidence of pipeline safety reauthorization have created, as Jeff would say "the perfect pipeline safety storm." Change is coming our way. It is our choice whether we wait for change to come to us or if we move ahead of the storm and look for opportunities to improve our programs and safety oversight. Help us understand how we can help you grow your programs and support you in other ways.

I very much appreciate the opportunity to speak to you today and look forward to working together.

I want to take the time that remains to open up for a discussion about anything on your minds.

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