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**Speech as Written for Delivery by
Howard “Skip” Elliott
Administrator
Pipeline & Hazardous Materials Safety Administration
U.S. Department of Transportation**

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Introduction

Thank you, [name] for your kind introduction.

As you know, PHMSA's goal – and one we are fully committed to – is to promote the safe, reliable, and environmentally sound operation of the nation's 2.7-million-mile pipeline transportation system and the nearly one million daily shipments of hazardous materials by land, sea, and air.

I'm humbled to be serving with PHMSA's hardworking safety professionals in support of the nation's pipeline system, which boasts an extremely good safety record.

Despite this admirable record, however, we still need to improve more.

Additionally, while we should all be proud and congratulate ourselves on the amazing safety advancements we've achieved over the last 20 years, our focus now must be on future safety improvements.

And, by working together, we can reach that aspirational – but, I do believe, achievable – goal of zero incidents.

Your Background

I was sworn in as PHMSA Administrator a couple months ago and came to the Agency from the freight rail industry, where I focused on public safety, the environment, occupational health, hazardous materials transportation safety, and security.

During my 40 years on the railroad, I witnessed first-hand the impacts that major incidents can have on communities and the environment.

I didn't like it very much and those experiences convinced me that safety must continue to be our first priority.

As I was going through the PHMSA selection process, I was deeply impressed with Secretary Chao's commitment to safety.

I still am today.

I fully support her key goals of keeping safety first, investing in infrastructure, and driving innovation and technology.

This will improve the safety and performance of our nation's transportation system.

She has also pressed for greater accountability through regulatory reform.

The Department of Transportation's goals are reflected in PHMSA's planned efforts for 2018 and beyond.

PHMSA Objectives for 2018 and Beyond

PHMSA's vision is to be the most innovative transportation safety organization in the world.

Our mission is to protect people and the environment by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives.

PHMSA is working to actively support the expansion of our country's energy infrastructure while providing the oversight needed to preserve the safety and integrity of the infrastructure we already have.

In order to reach the President's goal of U.S. energy dominance, our nation must have a top-notch transportation system to move energy products.

We are not only working hard to complete our Congressional mandates and fulfill our safety mission, but we're working to ensure that our regulations maximize safety without creating undue regulatory burdens.

Our focus is on performance and we believe that it is the responsibility of the pipeline industry to understand and manage the risks inherent in the transportation of energy and hazardous materials.

I understand that each pipeline carries a unique set of risks, and each company and system has to work to apply their different resources to manage these risks.

Additional challenges presented by these systems include the presence of multiple products, varying pipeline ages, different operating environments, and the potential for damage from outside influences.

We have a limited time together, and we need to tackle safety and innovation issues as quickly and effectively as possible.

PHMSA is dedicated to improving safety performance beyond that which is achievable through minimum federal standards, and I believe that is where we will see the greatest impact.

Now is the time for accelerated innovative research, innovative safety solutions, and innovative management.

My goals for PHMSA also include moving forward on regulations, promoting Safety Management Systems – SMS – and achieving greater consistency with our pipeline inspection process.

We have a mutual interest in safety and are working in lockstep to mitigate the areas of greatest concern.

I am gratified by PHMSA's dedication to cultivating organizational and operational excellence to grow a strong safety culture.

I also would like to take this opportunity to express my appreciation for INGAA's commendable work in support of safe pipeline systems.

Pipeline and Rail Challenges

During my short time with PHMSA, I've been struck with how similar the freight rail and pipeline networks are.

Both are made up of thousands of miles of mainline track or transmission lines, and branch into thousands of miles of distribution lines.

I've also noticed that both rail and pipeline have talked about safety the same way for the last 20 years – with a focus on an extremely high safety record, and needing to close the remaining gap.

Serious incidents on gas transmission pipelines have declined since 2005, with a sharp decline after 2010 – but while the number of serious incidents is low, the trend is heading in the wrong direction, and the number of serious incidents has been going up since 2013.

And, the reality remains that industry will always be evaluated based on the lowest common safety denominator.

While the pipeline industry is comprised of many great companies and people, ultimately you are graded on the latest incident, which can quickly overshadow most, if not all, of your previous good work.

I challenge you to leave these past successes behind, and reset the bar to 100 percent safety going forward. But the challenge – for both rail and pipeline – is that last little gap, and the toughest to close.

Incidents may have low occurrence rates, but they're high risk, and often high consequence.

When an incident does occur, it can be catastrophic, and could lead to harming people and the environment – and that is unacceptable.

These catastrophic events also often come with a “need for regulation” reaction.

Our challenge is to clear that last safety hurdle without relying on regulations.

I want you to know that, in the past, the industry I came from had a similar opportunity.

They were in a fairly deregulated environment, but failed to make any new safety improvements in that time to show regulating agencies they could improve safety outside of a regulatory scheme.

Let's not let the same opportunity pass by the pipeline industry.

Safety Management Systems

While still on this theme of safety improvement, I believe that Safety Management Systems (SMS) will be a key component in closing that safety gap.

PHMSA is working to foster continuous improvement in safety through SMS – we believe that SMS is the key to preventing the next accident, instead of simply responding to accidents after they happen.

As you know, there is no one-size-fits-all method, and implementation is going to vary from company to company.

We are learning that successful SMS implementation is about the journey, not the destination.

But I am convinced that this journey is a valuable approach to pipeline safety.

I believe that SMS can help industry change the narrative around pipeline failures.

Pipeline accidents are never intended, and SMS can help industry refocus culture on lessons learned and making improvements from experiences.

SMS can also help operators manage the multiple facets of pipeline safety, fundamentally changing day-to-day operations by incorporating a focus on safety into every aspect of pipeline management.

Our experience has taught us that a pipeline company is only as good as its weakest link or least informed group.

This is where SMS can have the greatest impact, reaching all levels of an organization – including its contractors – and helping to ensure safety culture is pervasive and all-encompassing.

I applaud INGAA for your support of Safety Management Systems, for your participation in the development of API Recommended Practice 1173, and for your industry's effort to implement SMS – but I also challenge you to do more.

First, start the journey.

Don't let the idea of a Safety Management Plan intimidate you.

Pick one or two of the 10 elements – whether it's stakeholder engagement, documentation, or recordkeeping – perhaps one you believe your company already does, and perform a gap analysis between what you already do and what the standard recommends.

Work on closing any gaps.

Second, share your successes and challenges – learn from your colleagues.

INGAA, AGA, and API/AOPL are doing a great job providing helpful tools to help the industry learn from each other.

I believe that industry can show tangible, substantive safety improvements, day after day – and we can all use SMS to keep moving towards our goals.

When pipeline – and other industries – implement and live by their Safety Management Systems, we see demonstrated improvements in safety.

To that end, PHMSA will continue to engage with the regulated industry to implement SMS and improve safety culture to further improve performance.

Correcting Common Safety Issues

As I mentioned a moment ago about SMS and continuous improvement, PHMSA will continue to closely assess all accident data and take action where necessary and prudent to help protect people and the environment, and we want to keep communicating our findings when we see pipeline issues that may impact the industry at large.

I want to share a concrete example of how proactive analysis of trends can lead to better increases in safety.

This year, PHMSA's Pipeline Enforcement Division reviewed federal enforcement data for factors that caused or increased the severity of 40 different gas transmission and hazardous liquid incident/accident enforcement cases from 2010-2016.

I believe that analysis like this can help facilitate operators' focus on reducing the most serious non-compliances, and improve efforts to take effective safety measures beyond the minimum federal pipeline safety standards – analysis like this can help operators and contractors understand common safety risks and identify gaps in their safety systems.

Our initial review of the data suggests that high-risk activities may include:

- Hot Work;
- Valve Lockout and Tagout;
- Alarm Management; and
- Temporary Line Marking.

While these high-risk activities may not be applicable to every operator, it is important to note that two-thirds of all pipeline regulation violations that caused or increased the severity of an incident were linked to operators not following their own written procedures.

Therefore, I believe operators should, as a part of robust practices:

- Maintain clear, easily understandable, updated, and accurate procedures;
- Ensure that procedures are consistently followed by operator personnel and contractors; and
- Document and review deviations from procedures.

PHMSA will continue urging operators to be vigilant in their operating practices to prevent accidents.

Regulatory Review

I support your desire for regulatory certainty to make long-term decisions, and I understand that industry needs standards to be kept up to date.

One of my goals at PHMSA is to make our rulemaking process move more quickly and efficiently.

We appreciate INGAA's participation in our processes, and we look forward to your continued support as we work to advance our regulatory goals.

Like many other issues before us, PHMSA's regulatory agenda is part of an ongoing regulatory review pursuant to the Executive Orders issued last year by the White House.

Our focus is on ensuring that resources can be put where they will be most effective to ensure pipeline safety.

The safety of the public and the environment is a top priority for the Department of Transportation and for PHMSA, and we are working to review stakeholder input for all of our in-progress rulemakings.

To date, PHMSA has reviewed and analyzed over 100 public comments in response to the "Safety of Hazardous Liquid Pipelines" proposed rule, and more than 400 comments in response to the "Safety of Gas Transmission and Gathering Pipelines" proposed rule.

In addition, PHMSA held a mandated Gas Pipeline Advisory Committee meeting last month to gather stakeholder input on the Gas Transmission rule, and we will continue to hold meetings and gather input for that rule.

Each year, the Office of Pipeline Safety issues an updated rulemaking that focuses on updating “Incorporated by Reference” standards into our regulations.

There are approximately 73 standards that we incorporated by reference, and we continually review them for relevancy and clarity.

We are renewing our emphasis on evaluating these standards and ensuring that our regulations keep pace with new technology and standards.

Of course, I want to emphasize that PHMSA’s role is to simply set minimum standards.

Safety comes from improvement in all areas, including SMS and best practices.

And, it is incumbent upon you to take as many steps beyond our regulations as necessary to reach your safety goals.

R&D

In my Senate confirmation hearing, I said that – if confirmed as the PHMSA Administrator – I would push to explore how we can deploy technology to enhance the safety of pipelines and other forms of transportation.

I believe now, more than ever, that advances in technology are how we will achieve those higher levels of safety.

This is an important element in our drive to improve safety and has been a major theme in my talks with industry leaders.

I'm proud of the R&D work we've accomplished so far at PHMSA – funding 270 projects, bringing 27 new technologies to market, and refining our overall systematic process and sub-processes via ongoing review of program effectiveness.

But we must have your help to make the greatest possible impact.

When I talk about using new technologies to move the needle for transportation safety, I understand some of the challenges – every pipeline system is different, a one-size approach may not fit all, and application of technology to real-world conditions is often difficult.

But if we work together, we can help technologies succeed, to improve the safety of our nation's pipelines.

We encourage using newer technologies consistent with industry best practice, and not just meet minimum regulatory requirements.

Some examples include:

- Using the latest highest resolution inspection tools, such as smart pigs, guided-wave ultrasonic tools, and digital X-ray
- Using multiple tools with complementary technologies, instead of a single tool, for a more comprehensive inspection
- Also, using complementary technologies for pipeline leak detection, such as internal and external sensors, buried fiber optics and aerial flyovers, and direct and indirect monitoring methods, in order to optimize leak detection sensitivity, accuracy and reliability.

Looking forward, I will continue to encourage research and development efforts that will improve the creation and application of cutting-edge technology to improve pipeline safety.

Conclusion

At DOT, we're guided by Secretary Chao's three key goals:

- Safety;
- Infrastructure (building and refurbishing); and
- Innovation (technology and automation).

And it is important to understand how accountability (through regulatory reform) will help us meet those goals.

When we look at the Secretary's priorities, as well as what I think we can achieve together, it's evident that even though we come from different backgrounds, we all share the same forward-looking commitment to helping PHMSA to protect our neighbors and the environment.

Every day, I get to work with the many dedicated, hardworking safety professionals at PHMSA, and I know that they too are committed to working with you in creating a safer nationwide transportation network for hazardous materials and energy related products.

I urge you to work just as hard to support your own R&D efforts – particularly regarding new technology – as this is an ideal time to push forward on projects and programs that could increase pipeline safety.

Pipeline safety is a responsibility that all of us – the industry, the public, and our state partners – share.

We all rejoice when things go well, and we react when an accident occurs.

Most people don't think about energy and hazardous materials transportation when everything is running smoothly, but when there's a major incident – that's when everybody hears about pipelines.

Let's work together to change that narrative.

Our nation's pipeline system is already incredibly safe, but I urge you to be on your A-game to continually improve safety as we collectively strive towards our goal of zero incidents.

Because, by working together, we can focus on concrete improvements and raising the bar on pipeline safety.

Thank you.

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Background for Q&A

- *What's PHMSA's plan for addressing the outstanding mandates from the 2011 and 2016 PIPES Act?*

We our responsibility to address all congressional mandates seriously, and we will continue to work diligently to address all open mandates. To date, PHMSA has completed 32 out of 42 of the mandates in the Pipeline Safety Act of 2011 and 13 of the 19 mandates from the PIPES Act of 2016. Like many other issues before us, PHMSA's regulatory agenda is part of an ongoing regulatory review.

I attended our recent GPAC meeting, where I saw a lot of good progress made on the Gas Transmission rule. I know that our work there will make an impact in completing many of our Pipeline Safety Act of 2011 Mandates.

- *What are your observations from having participated in the Gas Pipeline Advisory Committee for the first time?*

I think it's a great forum that allows PHMSA to condense the information gathering process and quickly get input from all of our stakeholders. I was extremely pleased to see the willingness of the government, industry, and the public to come together and have an open, honest discussion on safety.