

**REMARKS OF HOWARD “SKIP” ELLIOTT  
PHMSA ADMINISTRATOR  
27<sup>TH</sup> WORLD GAS CONFERENCE PANEL  
EMPLOYEE, PUBLIC, AND CUSTOMER SAFETY:  
AN INTEGRATED STRATEGY**

**June 27, 2018**

Thank you for that warm welcome, and thanks for the opportunity to talk to you today about safety.

I’ve been the Administrator of the Pipeline and Hazardous Materials Safety Administration for about eight months. One of the things I’ve learned in that time is the critical importance of stakeholders including the American Gas Association, which counts among its membership organizations that deliver to about 95 percent of American gas consumers. We at PHMSA appreciate the AGA’s strong support of the Department’s Call to Action to repair, rehabilitate, and replace high-risk pipeline infrastructure, as well as its participation in efforts such as the American Petroleum Institute’s Recommended Practice 1173 for Pipeline Safety Management Systems.

PHMSA works hard to set appropriate safety standards in pursuit of its mission: to protect people and the environment by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives. We are guided by a simple, but difficult goal: zero safety incidents. And we are acutely aware that this is a *maximum* goal. It will not be attained by even perfect adherence to *minimum* standards.

PHMSA is and will always be a regulatory agency. That is the core of our mission. But regulation alone will never get us to our goal. Even perfectly conceived and flawlessly enforced regulations will not bring us to zero incidents. When you're trying to get from very good to perfect, success comes at the margin.

At our margin, we have things like outreach programs, research and developments efforts, and voluntary compliance initiatives. We count on folks like you to respond to these programs – some of which are designed to make our rulemaking processes better through true collaboration. For example, PHMSA's damage prevention work with states benefits from the expertise of AGA members, who are acutely aware that excavation is a leading cause of compromised distribution pipelines.

The products in our 2.7 million-mile pipeline system reach their destinations without incident 99.9997 percent of the time – a rate of success that anyone would have to say is very good. But when each incident holds disastrous potential, “Very good” is just a gentle way of saying, “Not quite good enough.”

So if regulatory perfection cannot capture that final .0003 percent, then what does? How do we get there?

The answer is intertwined with the importance of the AGA and other organizations like it. PHMSA's target is the final 300 of each million opportunities to prevent an incident. Improvement toward that goal lies not even at the margin, but at the very *edge* of the margin. At that edge, and just beyond it, lie non-profit

organizations, industry operators, and other stakeholders that share PHMSA's interest in safety.

And so the way we pursue our goal is straightforward: by asking for the help of these organizations, and by working hard to support them in their efforts to answer that call. To that end, I have some expectations to share with you all, and some challenges to ask you to take on.

PHMSA's expectation of operators is for them to know their systems' risks and needs. From my forty years in the railroad industry, largely focused on safety concerns, I know operators themselves are in the best position to master the subtleties of their systems. Periodic inspections by PHMSA or its state partners will not yield the kind of intimate knowledge required to anticipate the last 300 vulnerabilities out of one million. For that, we need the operators that work with these systems every day to remember to do so with safety concerns paramount in their minds.

To assist that process, PHMSA is convinced that industry-wide adoption of Safety Management Systems is the most effective way to reduce incidents at that very small margin. We therefore implore every operator to implement a well-designed and consistent SMS. Our own staff devotes much effort to analyzing the elements of Safety Management Systems that will make them most effective, and we stand by to support the efforts of operators willing to join in this effort.

PHMSA's challenges to pipeline system stakeholders proceed from the same confidence in operators' superior knowledge of

their systems. Although we employ some outstanding engineers and other technical professionals, we need operators to assist us, because they are the subject matter experts of their discrete piece of the puzzle.

PHMSA's first challenge is this: Do not wait for inspections, or for new regulations, to make safety improvements. The overall performance of the pipeline system is so high that it is folly to think that further improvement will occur if operators are passive or complacent. Operators must be more aggressive than to wait for PHMSA to identify potential problems. Address an issue *before* it becomes a problem; because some problems become incidents, and some incidents become tragedies.

Such aggressiveness is essential if we – all of us, together – hope to create a pervasive culture of safety – one that looks upon even near-misses as unacceptable failures.

Finally, PHMSA wants the help of all stakeholders in making investments in innovation and technology to bring better safety equipment and ideas to bear and to market. PHMSA has a small Research and Development program, which we work hard to keep focused on solving discrete, current problems to have an immediate effect on overall safety. Again, it is part of their intimate knowledge of their systems that will enable operators to sharpen this focus, by helping to identify those problems, and to conceive of solutions for our Research and Development efforts to test and develop.

With that, I thank you again for this opportunity, and kick off this panel of esteemed and capable professionals, titled

“Employee, Public, and Customer Safety: An Integrated Strategy.”

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