

**REMARKS OF
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**Dangerous Goods Advisory Council Annual Meeting
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Thank you for that warm welcome, and thanks for the opportunity to talk to you today about safety. I look forward to our discussion today, and to responding to questions later. I'd like to begin with a bit about PHMSA's role in ensuring safety, how the marketplace is changing – and demanding that we change with it.

I've been the Administrator of the Pipeline and Hazardous Materials Safety Administration for about a year. One of the things I've learned in that time is that safety is tangibly improved by open lines of communication between all stakeholders in affected industries. In fact, the path to greater safety improvement lies more there than it does in a traditional regulatory framework.

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.

Regulation 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. One of PHMSA's most consistent and important messages is that achieving zero incidents is not impossible. But when you're trying to get from very good to perfect, success comes at a very thin margin.

At our margin, we have things like outreach programs, research and developments efforts, and voluntary compliance initiatives. We count on stakeholders with a deep commitment to safety, as I know all of you in this room are, to respond to these programs – some of which are designed to make our rulemaking processes better through true collaboration.

And so, the way we pursue our goal is straightforward: by asking for the help of organizations like the DGAC, and its members – and by working hard to support them in their efforts to answer that call.

PHMSA, like every other federal regulatory agency today, is pursuing an agenda of regulatory reform designed to make it more efficient and responsive to changes in the industries that they regulate. I know that I address here an audience full of people with both a desire to maximize safety and a great deal of expertise to contribute to that effort.

One message I have for you today is that now is no time to let off the gas in that pursuit. I know that regulatory reform is not set in opposition to increasing safety and eliminating incidents. As a confessed safety zealot, I could not pursue reform if I thought that to be the case.

One key to making the two things serve each other is through increasing engagement. Changes to the way that Americans obtain all consumer goods are dramatically increasing the number of shipments, and the number of shippers, that deal in the materials that we regulate.

It is essential, as this proceeds, to ensure that newcomers to the hazardous materials game are educated and informed. In August, we rolled out the Check the Box initiative to address the problem of undeclared hazardous materials. Obviously, transportation workers cannot properly handle parcels if they are unaware that they contain potentially hazardous materials. PHMSA needs your help in promoting this initiative.

Closing the undeclared hazardous materials gap is a matter of some urgency. For example, the significant consumer demand for lithium batteries has resulted in rapid expansion in their production, supply, and proliferation. Consequently, this hazard is increasing exponentially with global lithium battery production capacity set to double by 2021, according to Bloomberg News Energy Finance.

The lack of industry and public awareness on the rules governing the shipment of lithium batteries poses additional risk across multiple transportation modes, and particularly to shipment of batteries on commercial airliners.

There is no reason to believe that change in the shipping business is going to do anything other than accelerate further. The day is certainly coming when autonomous vehicles will impact the marketplace, perhaps even more than has the

proliferation of shippers in our retail industry. To maintain and improve safety, we must ensure that innovation in the safety community at least keeps pace with the changing marketplace.

Secretary Chao and the Department of Transportation are leading thought on the changes on the horizon coming from automated vehicles. AV 3.0 is a multi-modal, broad-spectrum approach to those changes, and PHMSA, as the only safety agency that cuts across all transportation modes, will participate in it fully.

To manage and encourage innovation, there is no silver bullet. Rather, safety in that context is the cumulative effect of many things: consistent efforts in engagement and training; improvements in packaging and handling techniques; faster, more accurate information sharing and smart application of emerging automation.

As many of you know, I spent 40 years working in the railroad business. As a former industry executive, I have sometimes been cast as closer to industry than a regulator should be. But when the subject is safety, I firmly believe that improvement on the status quo requires that all stakeholders shoulder the responsibility together. Joint effort and collaboration are necessary links in the safety chain.

The point of all of this is that while PHMSA is and will always be a regulatory agency, tangible safety improvements over the status quo are not always, or even primarily, to be found in further prescriptive regulation. Nearly a million packages per day containing hazardous materials means one thing for certain:

constant vigilance and diligence by millions of individuals is what zero incidents will require. Regulation is powerful, but it consists – when you get right down to it – of words on a page. Mere words only have that kind of magical power in Harry Potter novels.

In the real world, things worth having are almost always the result of working hard, working smart, and working together. I see PHMSA as an essential leader in that effort; and I see around this room people well-equipped to assist us in that leadership.

With that, I look forward to responding to your questions.