

**REMARKS FOR VADM THOMAS J. BARRETT, USCG (Ret.)**  
**ADMINISTRATOR**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**NAPSR NATIONAL BOARD MEETING**  
**HOT SPRINGS, AR**  
**- - OCTOBER 31, 2006 - -**

Thank you Don, for that wonderful introduction and to each of you in the audience for having me here today.

First of all, let me say how delighted I am to be here with each of you. The Bush Administration, Transportation Secretary Mary Peters, and our team at PHMSA all depend on having you as our partners in fulfilling our commitment to ensuring public safety and environmental protection.

I'd like to recognize the leadership of Don Martin in guiding us through critical past pipeline meetings and to his boss Commissioner Randy Bynum. It's good to hear that our friend George Mosinkis will be coming on board as NAPSR's first executive director. PHMSA has known George for many years as a great leader and contributor to pipeline safety, not only as a key executive at the AGA, but as an excellent operator and an all around great team player who knows his way around risk based systems approaches.

Throughout the years, PHMSA has continued to meet the needs of NAPSR management. Through the efforts of Tom Fortner, PHMSA's state programs director for pipeline safety, we have been able to make implement many new program and technology advances, including Fedstar. We wish Tom the best and hope he is feeling better soon.

Within the Federal government, and the Department of Transportation in particular, we have an important job to do. The Department and PHMSA rely on our partners in safety such as you – State pipeline safety representatives to help us effectively carry out our safety mission to protect the public. Our partnerships have always been the cornerstone of the program. As we have set goals over the years, like any good partnership, we do it together.

Your work with us over the past few years is recognized and appreciated. As the job has gotten bigger, we have built additional bridges to others who can help – these include the Common Ground Alliance, Fire Marshals, Fire Chiefs, environmental organizations, public industry groups, research organizations and of course, the pipeline industry.

As great as partnerships can be we need to recognize that even healthy partnerships can be tested from time to time. To see progress, input should be shared up front and not at the end. We must bring all of our issues to the table to provide for open, results-oriented communication. Sharing information is important to gather insight from all stakeholders to make informed decisions. From time to time we may disagree on an outcome. This is okay, as it's the test of a healthy relationship.

We have learned that the success of our efforts to constantly improve safety is multiplied by sharing responsibility and accomplishments with our stakeholders, both within the federal family and with states and communities.

Any strategy to enhance safety should include mitigating the risks or consequences of an emergency. At PHMSA we have been working to save lives by implementing a “systems safety,” or risk management regulatory framework to minimize the possibility of an incident. You all know this as the integrity management program, otherwise known as “IMP.” Of course there's the additional integrity management acronyms we've been able to come up with such as “LIMP,” “GIMP,” and “DIMP.” It seems as if a new one has been created each year and in fact, I just learned there's even a newer one, “SHRIMP” for “Small Handy Risk Based Integrity Management.” I think we should start a contest to see who can come up with the next one. Seriously, as humorous as this may be, it is in fact a depiction of how dedicated we all are to identifying safety problems at the start. The more acronyms we can create, the more variations of pipeline systems we can address.

This “systems safety” approach is not only done through partnerships with up front stakeholder input, but by holding top leadership accountable for safety performance of lower level staff, identifying and supporting innovative best practices and technology development, and showing organizational transparency, both internally and externally.

Our integrity management program is having positive results. The number of serious incidents in which people or the environment are harmed is steadily declining, particularly on oil pipelines. NASFM is increasingly playing a key role in helping pipeline operators identify high consequence areas, particularly “identified sites,” that are part of our natural gas integrity management program.

The ultimate responsibility for safety rests first with the operator. The integrity management program allows operators to have a better understanding of the condition of their pipelines and mitigate risks before an incident occurs.

Although we have found that some operators have improving safety programs to sustain improved performance in the future, we sometimes find an operator's performance lagging behind. When this happens we take action by intervening with operator executives to prevent accidents, usually before they happen, and not just respond after the fact. We make full use of all our enforcement options, including civil penalties at the higher level authorized under the Pipeline Safety Act of 2002. We are currently looking at ways to provide better transparency to this process and welcome your thoughts.

As we move forward together, we should keep in mind that regulatory oversight of our respective jurisdiction is important. But we all know regulation alone is not enough to fulfill our safety mission. Even the best regulations don't always prevent accidents. Other programs either have been or will be critical beyond regulations, including Damage Prevention, 811, public education and research to build 21<sup>st</sup> Century solutions.

In the past few years, PHMSA has taken a hard look at incidents, their causes and what can be done to prevent them. One thing is clear--the leading cause of incidents (42 percent of total) in which people are hurt or killed is construction-related activities which causes an immediate rupture or damage that later grows to failure. This occurs most often on the distribution systems that run through the neighborhoods where people live and work.

This part of the nation's pipeline system is almost entirely under the jurisdiction of each of you, the States, our partners in pipeline safety. These incidents are almost entirely preventable. At PHMSA we know that we cannot succeed without enlisting the help of our State and local officials and the full range of public safety stakeholders who share an interest in protecting all underground infrastructure.

In addition to NAPSRR, we have built together a partnership with the Common Ground Alliance (CGA) on all damage prevention efforts for all underground utilities. CGA has been helping to pave the way to lead stakeholders to share responsibility for damage prevention.

Over the last year we have been working to implement the most important new tool in our assault on third-party damage to pipelines, three-digit dialing. With your support, the Federal Communications Commission responded favorably to our request for a single three-digit number usable for "one call" anywhere in the U.S. The ability to dial "811" provides a single uniform action that all Americans can take to improve safety. The campaign to unveil this number nationwide will take place next spring. We owe a big debt of gratitude to all of the volunteers of the CGA who should be thanked for the accomplishment of this important safety initiative. More and more, we hope to bring the powerful voice of the 1<sup>st</sup> responder community into this effort.

All of this work to improve the underground infrastructure couldn't be done without the partnerships that have been formed over the years. Earlier this year we submitted to Congress the "Pipeline Safety and Reliability Improvement Act of 2006". We are hoping this piece of legislation will give us additional authority to provide our State partners with greater resources to help in protecting the communities that we live in. Hearings have been held in Congress and they are moving quickly to give us the authority and resources to continue to build our program.

We are also working on ways to further prevent pipeline incidents. Since the passage of the Pipeline Safety Improvement Act of 2002, the country has seen significant improvements in pipeline safety.

Our thanks go out to each of you and our other partners in safety for your help in accomplishing these improvements. Safety is, and will continue to be, our top priority.

The legislation that Congress is considering builds on our accomplishments in pipeline safety to date by creating incentives for states to improve their damage prevention programs. It also helps in environmental and infrastructure protection and planning. We believe we should identify good programs as models, but we also believe we should empower states and localities to choose those improvements that work best for them. Because of the credibility of your broad based collaborative approach, Congress supported it as the best way toward developing more effective damage prevention programs. Accomplishing the challenge of applying the IMP principle to the vast distribution network wouldn't have happened without your efforts to define an approach to DIMP through a vast, collaborative team effort.

We know that overseeing and ensuring the safety of the majority of the nation's 2.3 million miles of pipelines is an enormous task. While together we have made great strides in pipeline safety, we are focused on ways we can prevent damage to pipelines from excavation activities. The proposed bill establishes a state grant program to provide incentives to develop more effective damage prevention programs. PHMSA is pushing to raise the cap on state grants over 6 years from 50 percent to 80 percent to offset the increasing cost of the programs you execute. The funds will also allow for increased investment in state training and decision support, enhancing our abilities to function as a coordinated state and federal workforce.

In the coming months PHMSA will be releasing two essential documents outlining our vision for enhancing safety in our draft strategic and business plans. Our strategic plan will address safety in pipeline and hazmat program issues, emergency response, and public outreach. Our business plan will describe the implementation and operational details of important issues discussed in the strategic plan. Similar to how we develop new regulations, we will be welcoming comments from our stakeholders on both to tell us if we're headed in the right direction.

Being a data driven entity we want to continue to work with you to talk about and address the facts. At PHMSA we analyze the data we collect to identify areas needing a heightened focus, address rising problems early and help shape public debate around data and facts. The data shows us who's implementing the best of the best practices, who are the good companies and who needs help in rising up to the industry standard. We want to work with you to harmonize ways to roll up states' experience with operators into the national risk picture.

When meeting with company executives we remind them of their responsibility of being the first in line for safety assurance. As our state representatives in pipeline safety, you are leaders within the communities you work. Your voices are key to ensuring the public stays committed and focused on following safety guidelines to mitigate risks.

Our outreach efforts have proven invaluable in preparing and educating state and local officials about the need for, and safety of pipeline transportation and the importance of implementing pipeline damage prevention techniques.

The Department of Transportation and PHMSA stand ready and willing to work with you and are proud to be your partners in pipeline safety. We offer our capability to address the public's need for safe pipeline transportation, as a regulator and an advocate.

Thank you again for having me today.

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