U.S. Department of Transportation • Pipeline and Hazardous Materials Safety Administration • Volume 1, Number 2 • Winter 2005

# US and Canada Sign Pipeline Safety Arrangement

mproving pipeline safety in the United States (US) and Canada was further solidified November 22 with the signing of a joint arrangement between PHMSA and the National Energy Board (NEB) of Canada. This arrangement enhances cooperation and coordination between the US and Canada as both countries share interconnected natural gas and hazardous liquid pipeline infrastructure.

"The arrangement will help ensure the safety of cross-border pipelines," said PHMSA Acting Administrator Brigham A. McCown. "Building a higher level of coordination and cooperation between pipeline regulators in both countries is a win-win scenario."

Both PHMSA and the NEB recognize the importance of cooperation in the development and implementation of regulatory programs which will provide greater regulatory certainty for companies operating transnational pipelines. This infrastructure is



dependent up the adequacy and effectiveness of design, construction, operation, maintenance, and other aspects of pipeline transportation activities in both nations.

Provisions of the arrangement outline cooperation in the form of staff exchanges, emergency management planning and exercises, joint training initiatives, consultative regulatory development, and sharing of compliance data and reports. Joint cooperation may also take place on research and development activities, and the possible co-funding of mutually identified research projects.

Finally, if an Alaskan Natural Gas Pipeline is authorized by law to be designed, constructed, and operated, both countries will coordinate and collaborate in a manner appropriate under the arrangement.

### Did You Know?

# Mechanical Damage Technical Workshop

PHMSA along with the National Association of Pipeline Safety Representatives and other pipeline industry trade associations are co-sponsoring a Mechanical Damage (MD) workshop in Houston, Texas, February 28 - March 1, 2006. The technical workshop aims at sharing information on MD among pipeline operators and technical experts. The workshop will provide regulators and operators with information useful in pipeline inspection and oversight, and reviewing priorities for research that address problems posed by MD when operating natural gas and hazardous liquid pipelines.



# Advanced Welding and Joining Technical Workshop

PHMSA is holding a technical workshop in Boulder, Colo., on January 25 - 26, 2006. The workshop aims at sharing information on recent advancements in welding technologies among operators and technical experts. The workshop will provide regulators and operators with information useful in pipeline inspection and oversight, and setting common goals and strategies to advance the safety and integrity of welding and joining. Also, the workshop will characterize the many technical issues with welding and joining, and identify the technology development, standard strengthening and regulatory changes required to reach identified goals.

For additional information contact David McColskey, National Institute of Standards and Technology, (303) 497-5544.

#### On the Inside



An Army CH-47 helicopter flown by PHMSA Army Reservist Lt. Col. Mercadante shuttles 26 New Orleans residents and their pets to safety after being rescued from a section of elevated highway in New Orleans on September 6 as part of Hurricane Katrina rescue operations. (*Story on page 3.*)

# PHMSA FOCUS

## From the Desk of the Acting Administrator...



Acting Administrator, Brigham McCown

### Greetings and Happy New Year.

It is hard to believe but PHMSA turns one year old this quarter. While we look forward to the challenges of 2006, please allow me to take a moment to recap the agency's many accomplishments during 2005.

Starting with Secretary Mineta's vision, and congressional leadership, PHMSA was formed on February 20, 2005. By creating a single safety focused agency composed of the Offices of Pipeline Safety and Hazardous Materials Safety, the Bush Administration signaled its intention to ensure these critical programs receive the attention they deserve.

#### SAFETEA-LU

Fast on the heels of the agency's reorganization came Congressional reauthorization in SAFETEA-LU. Not only does it provide for unprecedented investment in our Nation's roads, bridges, mass transit systems, and safety programs, it also incorporates significant reforms requested by the Bush Administration. Specifically, SAFETEA-LU gives state and local governments significant discretion and flexibility to invest in and manage their own transportation systems while opening the door to greater private sector investment and innovation. SAFETEA-LU strengthens financial stewardship by ensuring every dollar spent will yield the maximum benefit in terms of saved lives, reduced congestion, and increased mobility.

Closer to home for PHMSA, reauthorization resulted in many positive changes to the

Hazardous Materials Safety Program. Items of interest included the transfer of responsibility under the Safe Food Transportation Act from DOT to HHS; increased criminal and civil penalties for infractions to the Federal Hazardous Materials Regulations; authority for Federal inspectors to open outer packaging; and authority to issue emergency orders to abate imminent hazards. These enhancements to our authority greatly improve our ability to carry out our mission. (For more information on these items, please see page 5, "PHMSA plays integral role with Capitol Hill.")

#### Protection of Key Infrastructure

No sooner had SAFETEA-LU been signed, the nation was rocked by the devastation of hurricanes Katrina and Rita. Even before the storms came ashore, the DOT team was already at work, pre-positioning assets, establishing lines of communication with federal, state, and local governments, and preparing for our response.

During an emergency, every second can count, so the Department acted promptly to expedite requests for permits and exemptions. PHMSA issued emergency delegations enabling on scene officials to streamline waivers so emergency response work could be completed quickly and safely. By working closely with hazmat and pipeline partners, critical commodities that keep America's economy moving and growing were made available, when and where they were needed most. By collaborating with sister agencies, state and local partners, and stakeholders, these actions saved lives, and resulted in many significant contributions to relief efforts. The quick response in the aftermath of such devastation is perhaps one of the greatest successes of the government's response to the hurricanes.

#### 2006 Priorities

Just as 2005 presented many unique challenges, the agency is preparing for a prosperous 2006. Our top priority for the New Year remains our unwaivering commitment to safety. Perhaps it is worth reporting that PHMSA regulates the transportation of almost 1 million daily shipments of hazardous materials — materials moving by plane, train, truck, or vessel, in quantities ranging from sev-

eral ounces to many thousands of gallons. We are also responsible for the safe transportation of approximately two-thirds of all energy products used in our nation which travel through our pipelines. Taken together, all of these shipments frequently move through densely populated or sensitive areas, where the consequences of an incident could be loss of life, serious injury, or significant environmental damage. Our communities count on each and every one of these shipments being safe and secure.

Another top priority for the upcoming year includes reauthorization of the pipeline safety program. Aging pipeline infrastructure and the forecast for increasing demand of energy supplies over the next twenty years are center stage in pipeline reauthorization. PHMSA will also be looking for ways to improve our agency's own internal operations; and the agency will continue to seek ways to perform its regulatory responsibilities more effectively and efficiently. In so doing, the basic operations and synergies of the hazmat and pipeline programs will be evaluated for cost and effectiveness based upon sound metrics. As the agency moves forward, changes in the agency will be tempered by the need to be inclusive and accommodate whenever possible. Whether it is the upcoming move to the new building, or the completion of IT integration, PHMSA will continue to empower all levels of the agency to ensure all concerns are heard and addressed.

The agency will continue to work with all stakeholders to administer a comprehensive, nationwide safety program designed to deliver energy products and hazardous commodities while also protecting our nation from the risks inherent in commercial transportation. Stakeholders for PHMSA include not only the private sector and other federal, state, and local government entities, but also the other modal administrations within DOT.

I look forward to working together in the coming year to meet these challenging but attainable goals with the same dedication and energy we have provided in the past in keeping America safe.





## PHMSA's Most Efficient Organization Completes Successful Start-Up

The last of 11 Administration and Management Support (AMS) team member selections was completed at the end of December 2005, thereby solidifying PHMSA's competitive sourcing initiative that supports the President's Management Agenda (PMA). PHMSA moved quickly in the first quarter of fiscal year 2006 to hire an AMS manager, two human resource assistants, one procurement technician, one information technology specialist, one office automation clerk, three administrative support assistants and one program assistant.

"This PHMSA hiring action came out of recommendations from a fiscal year 2004 study that confirmed it was in the best interest of the agency and the tax-payer to keep administrative and management support in-house," said PHMSA Associate Administrator for Administration Edward A. Brigham.

An in-house team, including directly affected employees, proposed an approach to deliver the services and certain PHMSA administrative and management

support activities that were studied. The team's proposal, called the Agency Tender, compared the costs to contract out the same services and found a significant cost savings to keep the work inhouse and in the manner the team proposed. A letter of obligation similar to a contract was initiated to both authorize the government's performance of these tasks and to establish the budget baseline to execute these tasks.

A number of processes set this team apart from other administration and management functional areas within DOT. Of significance were the processes established by the PMA's Most Efficient Organization (MEO) initiative that requires and allows the AMS manager the time and flexibility needed to supervise AMS staff and perform quality control checks. This is not the case in most administrative and management offices where supervisors are often challenged by the need to balance supervisor administrative responsibilities with the need to perform more technical du-

ties relative to direct mission operations.

Another process that sets this team apart is the incorporation of a system of checks and balances. Under the MEO initiative there is a requirement that the AMS manager supply reports to a contracting officer on a regular basis to document AMS staff successes, deficiencies and associated corrective actions, customer comments, successful completion of training, and salary levels.

Anyone desiring additional information concerning the roles and responsibilities of the newly formed AMS team may contact the AMS Manager, Lynne Vantran, at (202) 366-4576.



# Assistance Given in Two Hazmat Cylinder Enforcement Cases

With PHMSA's help, two separate federal Hazardous Materials Regulations (HMRs) enforcement cases were closed recently in the US District Courts against companies that fraudulently certified the retesting of high pressure gas cylinders. Failure to perform accurate periodic hydrostatic retesting of gas cylinders places the lives of users at risk of injury or death due to explosion or malfunction.

On November 30, the US District Court in Roanoke, Va., found the owner and manager of Fire Safety Products, Inc. of Christiansburg, Va., fraudulently certified that more than 1,700 compressed gas cylinders had been improperly retested. The company also agreed to settle a related proceeding brought by PHMSA

and pay an \$80,000 civil penalty. Such cylinders are used for medical oxygen purposes, firefighter air packs, scuba dive tanks, and carbon dioxide fire suppression cylinders.

The company will be on probation for five years. It surrendered its authority to re-qualify cylinders during that period and it must pay \$14,500 in restitution and a \$48,000 fine which will count toward payment of the civil penalty. The company's owner was sentenced to six months of home confinement, three years probation, and a \$20,000 fine. Its manager received a sentence of two years probation and a \$1,000 fine.

On November 22, the owner of Statewide Fire Protection, Buxton, Maine, was sentenced in US District Court in Portland, Maine, to six months in prison and ordered to pay \$11,203 in restitution for violating federal HMRs by falsely certifying the hydrostatic retesting of high-pressure carbon dioxide fire extinguishers. The investigation disclosed that from May 2001 until December 2004, the owner fraudulently marked the Retester Identification Number of another company on high pressure cylinders which had not been tested in accordance with the HMRs. Customers for these fire extinguishers included fire departments, numerous public and private schools, hospitals, and the Portsmouth, N.H., Naval Shipyard.



# PHMSA Plays Integral Role with Capitol Hill

In recent months, members of the PHMSA Office of Governmental, International and Public Affairs actively worked to provide technical assistance to Congressional staff to explain the Administration's programs, policies and position, as they pertained to the Hazardous Materials Safety and Security Reauthorization Act of 2005 (Title VII of SAFETEA-LU) signed by President Bush on August 10.

Under the new law, regulatory responsibility previously designated to the Secretary of Transportation under the Sanitary Food Transportation Act has been transferred to the Department of Agriculture and Department of Health and Human Services' Food and Drug Administration. Also, the bill made revisions to the Hazardous Materials Registration Program by allowing higher penalties for hazmat violations and allowing a rise in annual registration fees to certain offerors and transporters of hazardous materials registration fees from \$14 million to \$28 million per year for use by the Hazardous Materials Emergency Preparedness Grants Program.

Currently, the PHMSA Government, International and Public Affairs team is helping to propose amendments to the pipeline safety statute to better equip the agency to respond to emergencies. Two possible amendments being considered would allow PHMSA to issue an emergency waiver of pipeline safety regulations without notice and comment and clarify authority to expend pipeline user fees in furtherance of activities promoting the restoration of pipelines that have been or are anticipated to become disrupted by an emergency.

The PHMSA team is also out front in providing technical drafting assistance in response to H.R. 3893, "Gasoline for America's Security Act of 2005." The

bill would, among other things, require Federal Energy Regulatory Commission authorization to site, construct, expand or operate a crude oil or refined petroleum product pipeline facility in interstate commerce.

The PHMSA team will continue to look out for the Administration's interests in the areas of pipeline and hazardous materials safety and continue to work on several pieces of legislation that have been introduced by Congress in the last several months that would impact the agency.

# FY06 Budget Approved by Congress

On November 30, President Bush signed into law H.R. 3058, the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006 (Public Law 109-115) which included \$130.3 million fiscal year (FY) 2006 budget authority for PHMSA.

The budget was sent to Congress on February 7, 2005, and over the last several months the PHMSA Office of Governmental, International, and Public Affairs facilitated and participated in briefings with Congressional staff as well as provided responses to all of the questions and concerns they had about the agency's programs.

PHMSA requested \$130.8 million from Congress and received \$130.3 million in budget authority. This budget represents a net increase of \$4.6 million over PHMSA's FY 2005 enacted budget. The appropriation consists of \$73.0 million for Pipeline Safety, \$26.1 million for Hazardous Materials Safety, and \$16.9 million

for Administrative Expenses. The budget included seven additional full-time employee positions in Pipeline Safety, three in Hazardous Materials Safety, and six in Administrative Expenses.

# TRB Annual Meeting Scheduled for January

The Transportation Research Board's 85th Annual Meeting is expected to attract approximately 9,000 transportation professionals from around the world to Washington, D.C., January 22–26, 2006, at the Marriott Wardman Park, Omni Shoreham, and Hilton Washington Hotels.

The TRB Annual Meeting program covers all transportation modes, with more than 2,600 presentations in 500 sessions addressing topics of interest to attendees—policy makers, administrators, practitioners, researchers, and representatives of government, industry, and academic institutions. This year's spotlight theme is "Transportation 2025: Getting There from Here". Also highlighted will be "The Interstate Highway Systems 50th Anniversary - What Have We Learned?", and "SAFETEA-LU: What it Means for Research and the Transportation Community".

For meeting registration information, contact TRB Customer Service at (301) 694-5243.

### Did You Know?

On December 15, the PHMSA Office of Governmental, International and Public Affairs team was the recipient of two Office of the Secretary of Transportation 2005 Public Affairs Awards: Best Crisis Response – Hurricanes Katrina & Rita; and Best Campaign Teamwork – Transportation Week Bus Tour.

# **PHMSA FOCUS**

### **Progress Reported at UN Sub-Committee Meetings**



UN headquarters building in Geneva, Switzerland.

In the case of the United States, the decisions at the 28th Session of the United Nation's Sub-Committee of Experts on the Transport of Dangerous Goods held in Geneva, Switzerland, affect an international trade volume in hazardous materials estimated at more than \$160 billion annually. From November 28 through December 6, PHMSA's Bob Richard, Director, Office of International Standards; Dr. Charles Ke, Office of Hazardous Material Technology; and Duane Pfund, Office of International Standards, represented the US.

"The meeting was a success for the US delegation. We were able to realize significant progress in many areas that we have been negotiating for some time," said Bob Richard. "The Sub-Committee was able to come to a general agreement to introduce 'excepted quantities' provisions into the UN Model Regulations. These provisions will ease the inter-modal transportation of packages containing very

small amounts of hazardous material that are packaged in very good quality packaging."

The Sub-Committee also moved to include certain explosive items under the security provisions of the UN Model Regulations that were previously not included, such as detonators, thus enhancing the safeguards of these critical items in transport.

Other issues on the meeting agenda included the transport of compressed gases; requirements for intermediate bulk containers; hydrogen fuel cell systems; the construction and testing of packagings for Division 6.2 infectious substances; harmonization with the International Atomic Energy Agency Regulations for the safe transport of radioactive materials; options to facilitate global harmonization of dangerous goods transport regulations; and miscellaneous proposals related to listing and classification of materials.

### Did You Know?

PHMSA's Office of Hazardous Materials Exemptions and Approvals (OHMEA) has been renamed the Office of Hazardous Materials Special Permits and Approvals (OHMSPA). The Hazardous Materials Safety and Security Reauthorization Act of 2005 amended § 5117 of Federal hazmat law to change the term "exemption" to "special permit." On December 9, PHMSA hazmat final rulemaking HM-240 was published in the Federal Register and included the renaming of the PHMSA office.

### PHMSA's Employee Quality Council Sets Election of Representatives

On December 1, the PHMSA Employee Quality Council (EQC) set into motion a timetable for the election of new representatives. The first election milestone was a one-week nomination period for field and headquarters staff representatives to fill the 17 elected positions.

The new representatives are:

#### Office of Chief Counsel Anil Mehta

#### Office of Administration

John Bonkowski Nauman Ansari

### Office of Civil Rights

Scott Holland

# Office of Governmental, International, and Public Affairs

Joe Delcambre

#### Office of Hazardous Materials Safety

Scott Simmons Vince Mercadante Shane Kelley Eileen Edmonson CharlesBetts Chevella Smith

#### Office of Pipeline Safety

Buddy Sheets Harold Winnie
Allan Beshore Brent Brown
Melanie Barber Anne Marie Joseph

The first meeting of the EQC is scheduled for January 10 to elect an EQC cochair and is a closed meeting for EQC representatives.

The election of new representatives coincides with the council's ongoing efforts to update the EQC charter and align it with the new PHMSA organization.

The EQC is an internal agency sounding board designed to allow supervisors, managers, and elected employees the opportunity to gather together to discuss issues that affect the high quality service and performance of all PHMSA employ-

For more information, contact your EQC representative listed above.

# **PHMSA FOCUS**

# The DOT Secretary's 38th Annual Awards Ceremony

"The year has been full of challenges, but each and every time, you have met those challenges head on,



answering your Nation's call, in times of tragedy and calm. I want to take this opportunity to thank each of you for your hard work, commitment and professionalism. Each of your contributions help the Department serve the American people better. It is a privilege for me to work with such a talented group of employees."

Transportation Secretary Norman Y. Mineta The following employees received awards at this year's Secretary's Award Ceremony held on November 10:

Secretary's Award for Meritorious Achievement (Silver Medal) Joy O. Kadnar, Office of Pipeline Safety

Secretary's Award for Excellence

John E. Williams, Office of Administration Anthony H. Murray, III, Office of Hazardous Materials Safety

### Secretary's Team Award

Exercise Pinnacle Team (PHMSA participation)

Joe Ahern Stacey Gerard
John Lambert Dave Lehman
Ed Mazzullo Dave Sargent

Hazardous Materials Safety Assistance Team

David Lehman
Walter Rucker
Anthony Murray
Aubrey Campbell
Reggie Dunn
Barbara Waller
Pat Romero

# Secretary's Partnering for Excellence Award

Federal Payroll and Personnel System Team

Lisa Kleiner, Office of Human Resources

# Pipeline R&D Program Office: The Office that Roars!



PHMSA Office of Pipeline Safety employee Robert Smith (standing) and members of the pipeline industry recently participated in a coatings workshop in Gaithersburg, Md., sponsored by the National Institute of Standards and Technology.

Small in size yet tasked with a big job, PHMSA's Pipeline Research and Development (R&D) Program Office is moving into a new phase of technology support to improve pipeline safety and integrity of the existing natural gas and hazardous liquids pipeline infrastructure. Along with its industry partners,

PHMSA's Pipeline R&D Program is focusing in on a series of topical workshops that could help to bridge gaps in fundamental or scientific knowledge, develop new inspection tools for industry and the regulators, and provide critical data in support of standards.

The first pipeline workshop was sponsored this past June by the National Institute of Standards and Technology and covered pipeline coating issues. Pipeline welding and mechanical damage workshops are planned for early 2006. These workshops provide critical insight into the pipeline industry's needs and challenges while coping with the demanding operating conditions needed to meet future energy supply requirements.

"The R&D Program continues to raise the bar on research while solving technical barriers allowing the pipeline industry to meet regulatory requirements," said PHMSA Pipeline Safety Program Development Director Jeff Wiese.

The PHMSA Pipeline R&D Program Office continues to work hard to understand what its industry partners reveal about the pipeline technology gaps and other challenges requiring investment. Pipeline technology investment is needed now, more than ever, to complement the projected growth in the nation's demand for more energy. PHMSA is contributing to technology investment by awarding 71 R&D projects valued at \$18.5 million to date through Broad Agency Announcements.

For additional information contact James Merritt in the PHMSA Pipeline R&D Program Office by e-mail at james.merritt@dot.gov or by calling (303) 683-3117.

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# **PHMSA FOCUS**



### CFC Chili Cook-off Winners and Heroes



A great turnout at the December 6 Chili Cook-off raised \$557.16 in contributions that went towards meeting PHMSA's 2005 Combined Federal Campaign goal. The CFC deadline to contribute was December 30. The Chili Cook-off contest winners were 1st Place - Kevin Leary; 2nd Place - Stacey Gerard; 3rd Place - "Bernie" Williams; and Honorable Mention - Mr. & Mrs. Charles Turner. Also included was a big pot of gumbo provided by James Wiggins.

#### Did You Know?

After a 5-month hiring freeze was lifted in mid-April 2005, PHMSA's Office of Administration placed 48 people into positions throughout the new agency, two thirds of which were in mission-related jobs such as inspectors and transportation specialists. That was 13 percent of PHMSA's total authorized FYO5 positions!

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Check out PHMSA Focus online at http://irm.phmsa.dot.gov/phmsafocus.pdf

### **New Hires**

Office of Pipeline Safety Gabriel Hodill Office of Administration Glenda Marshall Office of Human Resources Nicole Taylor



Commander Brigham McCown, U.S. Navy Reserve (top left) joined a number of other DOT military members at Secretary Mineta's statement of support signing ceremony for the National Guard and Reserves held in the DOT headquarters courtyard on November 17.

"Standing behind me are some of the finest, bravest men and women I've ever had the pleasure of knowing. And you know what's so special about having them here? It's getting to cross paths with them every day in the hallways. They work here at the Department of Transportation. And, in their 'free time,' these citizen soldiers are serving this great Nation with honor and distinction as Guardsmen and Reservists."

Transportation Secretary Norman Y. Mineta

## **New DOT Headquarters Building on Track for 2006**



New DOT headquarters building SE, Washington, DC

PHMSA will be one of the first DOT administrations to relocate to the new US DOT headquarters building in September 2006. Currently, PHMSA is scheduled to move into the East Building and occupy the second floor and portions of the third floor. The facility, still under construction, is located in Southeast Washington, D.C., and will house 5,500 DOT employees when completed.

Located on an 11-acre site at the Southeast Federal Center on the corner of New Jersey Avenue and M Street Southeast, the new facility will consist of two buildings (West and East), connected by a 230-ft pedestrian concourse and a two-level un-

derground parking garage. The M Street side will feature an outdoor DOT "walking museum" which is planned to bisect the two buildings. The new site is west of the Washington Navy Yard and east of a newly proposed site for a Washington Nationals baseball stadium.

In preparation for the move, PHMSA employees should begin following their office's record management procedures to remove unnecessary or outdated records and files before the move. For assistance with office record retention schedules, contact PHA-10, Edward Alexander, at telephone number (202) 366-5573.

For any additional inquiries or concerns about the new DOT Headquarters, call the hotline number at (202) 366-2643 or email <a href="mailto:thetransporter@dot.gov">thetransporter@dot.gov</a>. The official new building website is <a href="http://newhq.dot.gov">http://newhq.dot.gov</a>.