REMARKS FOR VADM THOMAS J. BARRETT, USCG (Ret.)
ACTING DEPUTY SECRETARY OF TRANSPORTATION AND
ADMINISTRATOR,
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
COMPRESSED GAS ASSOCIATION
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Thank you Marc *[Marc Meteyer, Compressed Gas Association President & CEO]*, for that wonderful introduction and to each of you in the audience for having me here today.

Congratulations Marc, on your appointment last year as the new CGA President and CEO. I know you are adding to the good work that outgoing CGA President Carl Johnson was able to achieve during his 19 years of exceptional leadership. I am sorry I will not be able to stay for this evening's farewell celebration for Carl.

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 the Pipeline and Hazardous Materials Safety Administration (PHMSA) all enjoy having you as a very strong partner. Together, we are fulfilling our commitment to ensuring public safety and environmental protection.

I'm wearing two hats now as the Acting Deputy Secretary of Transportation in addition to my responsibilities as the PHMSA Administrator, so you have a strong advocate at DOT for the compressed gas safety and security mission that we both share.

Secretary Peters has made it clear that safety continues to be priority one at the Department of Transportation. When it comes to improving transportation safety and security, we at PHMSA follow a systems risk-based approach, recognizing that safety and security are connected. Significant safety and economic consequences flow from our decisions. The success of our efforts over time lies in our ability to mitigate overall risk, while avoiding undue burdens on transportation systems, operators, and the public.

Improvements should be developed in a transparent manner, with the benefit of stakeholder input, to produce practical approaches suited to the demands of an economy that depends on the efficient movement of hazardous materials.

I strongly encourage the CGA audience here today to submit your suggestions to PHMSA. We must focus and prioritize our efforts on preventing incidents that pose the greatest

overall risk to the public, property, and the environment, and mitigating the consequences of incidents that cannot be prevented.

PHMSA, along with other modal administrations at DOT, administers a comprehensive, nationwide program designed to protect our nation from risks to life, health, property, and the environment inherent in the commercial transportation of hazardous materials.

It's easy for the public to get the wrong impression when they hear the term "hazardous materials" when in reality, we are talking about materials that are essential to our citizens and our economy, such as the compressed gases that are the focus of your industry. Hazardous materials fuel automobiles, heat and cool our homes and offices, and are used in farming, medical applications, manufacturing, mining, and other industrial processes. More than 3 billion tons of regulated hazardous materials – including explosive, poisonous, corrosive, flammable, and radioactive materials – are transported each year.

Large volumes of the hazmat we oversee moves by pipelines, out of the view of most Americans. In addition, we oversee the safe and secure shipment of over 1.2 million daily movements of hazardous materials through the air; on the railroads, seas and waterways; and over the highways. Many of these shipments require transfer between modes. Our programs increase the security of highway infrastructure and the intermodal transfer points that maintain the safety and security of these movements.

These hazardous materials shipments frequently move through densely populated or sensitive areas where an incident could result in loss of life, serious injury, or significant environmental damage. Our communities, particularly the public and workers engaged in hazardous materials commerce, count on the safe and secure transport of these shipments.

While we take our regulatory oversight responsibilities at the Department of Transportation very seriously, we also recognize that regulation alone is not enough to fulfill our safety mission. We know we must rely on our partners in safety – partners such as the Compressed Gas Association – to help us effectively carry out our safety mission to protect the public.

PHMSA will continue to apply a systems-based approach to assess and manage safety-related risk, especially those risks that change over time. We will utilize data to analyze results, make the best decisions, and deploy our attention and resources against the greatest risks – worst first.

The collection of data will help to educate all compressed gas stakeholders on why events occur, and to identify the best prevention tactics to enhance protection of people and infrastructure in the future.

In reality, we are asking stakeholders with common goals to share responsibility for improving overall system safety. With this approach guiding our collective efforts, we will undertake each action with the clearest possible definition of the problem. We will use an

enterprise approach to conceive solutions. We will test them as realistically as we can, and move to execute.

The CGA is a unique organization. It straddles both of the core programs at PHMSA – hazardous materials and pipelines. Your members manufacture, distribute, supply and transport a number of gases, cryogenic liquids, and related products nationally and internationally. Because of the industry segment that you represent, equipment and technical standards are an integral part of safety in your day-to-day business.

It is an undisputed fact that the Compressed Gas Association is "the" recognized leader in the development of gas and equipment standards here in North America, and around the world. In fact, we frequently incorporate your gas and cylinder equipment standards by reference into our DOT Hazardous Materials Regulations.

There can be tremendous benefit in standards that are built on consensus. And building a consensus for safety and industry standards is a key message I have recently taken on the road to both hazmat and pipeline stakeholders. PHMSA's technical staff already participates as members of CGA standards-setting groups. This type of constructive participation allows you to assist in developing rules and regulations that are consistent with our safety mission and helps develop safe policies and sound regulations that benefit the industry and the public.

This spring, we expect to publish a Notice of Proposed Rulemaking (NPRM) that will address several petitions for rulemaking submitted by CGA. We also will include updated editions of CGA standards, incorporated by reference, into the Hazardous Materials Regulations. In particular, the NPRM would enhance standards for valves on cylinders used to transport toxic gases, as well as update standards used to design tube trailers used to transport hydrogen and other gases.

PHMSA and its predecessor agencies have successfully partnered with CGA for over 30 years. Our efforts have helped all segments of the compressed gas industry and include the design and requalification of compressed gas cylinders, cargo tanks, portable tanks, and tank cars, as well the development of technical bulletins and safety advisory notices.

PHMSA is currently working with CGA and other standards-developing organizations such as the American Society of Mechanical Engineers, International Standards Organization, Society of Automotive Engineers, National Fire Protection Association, and International Codes Council, in support of President Bush's Hydrogen Initiative.

In his recent State of the Union Address, President Bush set a goal of reducing America's gasoline consumption by 20 percent over the next 10 years. This goal requires progress on two fronts: we must reform fuel economy standards for cars to make our use of gasoline more efficient, and we must harness the power of technology to increase the use of alternative fuels like hydrogen and ethanol.

The standards developing organizations and government agencies are collaborating to make the hydrogen economy a reality in the near future. This effort includes coming up with standards for the design and location of filling stations, filling connections for vehicles, and hydrogen quality.

It also includes improvements in the design, construction and testing of pipelines and high pressure containers, and the design of hydrogen vehicles to make sure this fuel can be carried safely.

CGA is an active participant in each of these activities and you should be proud of your contributions. In addition to bringing detailed technical knowledge on the properties and characteristics of hydrogen, CGA members provide valuable insight on the infrastructure needed to transport hydrogen safely.

There is another Administration and DOT initiative I want to briefly bring to your attention this afternoon – one that affects your businesses and the economy of the communities where you work.

We need to reduce congestion.

Transportation lies at the core of the freedom we enjoy as Americans – freedom to go where we want, when we want, and the freedom to live and work where we choose. All told, traffic congestion costs businesses billions of dollars each year in wasted time and fuel. If you add schedule changes, buffer time requirements, substitute deliveries, and lost customers to the total, the costs climb higher still. Congestion is affecting your companies and activities at a time when our economy is more powerful and productive than ever before. Congestion also harms the environment.

It will take innovative approaches to reduce congestion in both the short and long term, and that is what DOT is, and will be, promoting. We are targeting traffic tie-ups in many forms: metropolitan area congestion, congestion along major corridors, congestion at our largest border crossings and at our busiest ports…, and congestion in our skies.

One way you can help is to ensure that your compressed gas manufacturing, distribution and transportation methods, and best practices, remain as efficient and reliable as possible. Whether it is moving industrial, medical and specialty gases from coast-to-coast or just across town, think of ways that you can help reduce transportation congestion.

Congestion increases the risk of accidents and undermines our safety efforts. As we eliminate bottlenecks, we improve the ability to make sure your industry can deliver products to your customers in a timely and efficient manner. Transportation costs are reduced, which is good for the bottom line.

You hear this statement almost every day in the news…, "we are living in a global economy." The days of doing business only within the borders of our own country is a thing of the past. The era of international commerce is here. And to be competitive in

today's global economy, businesses have to keep up with both national and international regulations.

Through your affiliation with the European International Gas Association…, the Japan Industrial Gasses Association…, and others, CGA participates in setting and harmonizing hazardous materials regulations and standards worldwide. Your partnerships around the globe, and with the U.S. DOT, put you front-and-center in moving international harmonization on cylinder issues. The ripple effect of our combined activities helps to move the American – and global – economy by streamlining regulatory compliance and undue cost to industry.

You may remember that just last June, PHMSA published a final rule that adopted standards for the design, construction, maintenance and use of cylinders, and multiple-element gas containers, based on the standards contained in the United Nations Recommendations on the Transport of Dangerous Goods. CGA was very involved in that rulemaking.

Aligning the Hazardous Materials Regulations with the international standards promotes greater flexibility. It permits the use of advanced technology for the manufacture of pressure receptacles. It reduces the need for special permits. It facilitates international commerce in the transportation of compressed gases without sacrificing the current level of safety. Moreover, it does all of this without imposing undue burdens on you, the regulated community.

A big issue we're currently focused that I know is important to CGA is ensuring that international standards for cylinders produce a level of safety that is equivalent to our domestic standards.

The United States has an excellent safety record when it comes to transporting hazmat cylinders. Indeed, our domestic cylinder standards have been the baseline against which all other standards are judged. Some credit for this exemplary safety record must go to the CGA. We rely so much on your experience, knowledge, and technical expertise when we address cylinder design, re-qualification, and use criteria.

The international harmonization process for cylinders is ongoing as the UN considers development of standards for cylinders and pressure vessels not included in earlier efforts. We look forward to CGA being an active participant in the UN harmonization process.

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

Thank you again for having me today.

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