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## Press Release & Budget Overview

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Contact: Jeannie Layson  
Tel: 202-366-4831

### **PHMSA's 2013 Budget Request Focuses on Increased Safety & Accountability** *Funds for More Pipeline Inspectors & Hazmat Investigators*

WASHINGTON – The Fiscal Year 2013 President's Budget requests **\$276 million and 647 positions** for the Pipeline and Hazardous Materials Safety Administration (PHMSA) to improve safety and increase accountability by hiring more inspectors, increasing coordination with states and educating the public.

“President Obama's budget for the Department of Transportation demonstrates our commitment to investing in an America that is built to last,” said Secretary LaHood. “Last year we made a promise to the American people that we would help make our utility lines the safest and most reliable in the world. President Obama's plan will enable us to deliver on that promise and ensure that we have the infrastructure we need for tomorrow while putting people back to work today.”

The budget request supports the 2011 Pipeline Safety, Regulatory Certainty and Job Creation Act. It will also build upon safety initiatives such as Secretary LaHood's Pipeline Safety Action Plan and his Call to Action, in which he called upon the nation's pipeline operators to repair, replace and rehabilitate the nation's aging pipeline infrastructure.

“We have closed a record number of enforcement orders for the past three years, but we have more work to do to,” said PHMSA Administrator Cynthia Quarterman. “The 2013 budget request will help build upon these efforts to protect communities and increase oversight over the commercial transportation of hazardous materials by air, rail, vessel, highway and pipeline.”

The funds include more grants for states to ensure higher safety standards, more pipeline inspectors to increase oversight, additional safety training, and more tools for public education through the National Pipeline Information Exchange. The FY 2013 request is an increase of nearly \$75 million above FY 2012 enacted levels.

*The Pipeline and Hazardous Materials Safety Administration (PHMSA) develops and enforces regulations for the safe, reliable, and environmentally sound operation of the nation's 2.6 million mile pipeline transportation system and the nearly 1 million daily shipments of hazardous materials by land, sea, and air. PHMSA is one of 13 agencies within the U.S. Department of Transportation. Please visit <http://phmsa.dot.gov> for more information.*

## FY 2013 BUDGET REQUEST OVERVIEW

Pipeline and Hazardous Materials Safety Administration's (PHMSA) mission is to oversee the safe transportation of hazardous liquids and natural gas through the network of 2.6 million miles of pipelines, serving over 69 million residential and commercial customers. These pipelines transport and supply more than two-thirds of the fuel used to heat, cool, and operate American homes, cars, and businesses. Fuel provided through these pipelines powers other forms of transportation such as airplanes, trucks, trains, and ships. In addition to its pipeline safety role, PHMSA oversees the safe and secure shipment of up to one million daily movements of hazardous materials carried by other forms of transportation. These include materials that are explosive, poisonous, corrosive, flammable, and radioactive. Many of these materials are essential to the American public and local economies due to their use in farming, medical applications, manufacturing, mining, and other industrial processes.

The FY 2013 President's Budget requests \$276 million for FY 2013, an increase of nearly \$75 million above FY 2012 enacted.

**Pipeline Safety:** The FY 2013 President's Budget requests \$177 million for Pipeline Safety, an increase of \$67 million above FY 2012 enacted levels, to support its Pipeline Safety Reform (PSR) initiative. The PSR expands the number of inspectors available to provide oversight to the system of pipelines and restructures the partnership between the federal and state entities responsible for enforcement and compliance in managing pipelines.

- The request includes an additional 150 positions – 120 new inspectors and 30 program personnel.
- An additional \$20.8 million is requested for state pipeline safety grant programs to restructure the program to ensure standardization among all state pipeline safety programs. The PSR will ensure the highest safety standards for the oversight of interstate and intrastate pipeline facilities.
- \$3 million is requested to create a formal Accident Investigation Team that will review significant accidents not reviewed by NTSB.
- A total of \$13 million is requested for pipeline safety Research and Development. PHMSA intends to amend its project evaluation and decision process so there is no industry participation to ensure greater separation between the regulator and the regulated industry.
- \$8 million is requested for a National Pipeline Information Exchange to enable PHMSA to develop a comprehensive database of pipeline safety information that integrates information from PHMSA, states, industry and other federal sources.
- \$2 million is requested for public outreach to establish a national awareness campaign to educate the public about pipelines when starting excavation projects. Thirty-seven percent of all pipeline incidents are caused by excavation.
- Within these amounts, \$4 million is estimated for a new Pipeline Safety Design Review user fee that will allow PHMSA to recover the costs associated with conducting pipeline facility design safety reviews.

**Hazardous Materials Safety:** The FY 2013 President's Budget requests \$51 million and an additional 22 positions for Hazardous Materials Safety.

- Within these amounts, \$12 million is estimated for a new Special Permit and Approvals user fee that will be collected from companies and individuals involved in the transport of hazardous materials seeking special permits and approvals from the Hazardous Materials Regulations.
- The request includes 12 new investigators to expand Hazardous Materials Safety investigation efforts over its jurisdiction of approximately 40,000 entities registered to transport hazardous materials.
- Nearly \$1 million and 7 positions are requested to support the processing and technical evaluations of special permits and approvals applications and to implement a special permits and approvals outreach plan for external communications efforts.
- \$210,000 and 2 positions are requested to ensure the safe and secure transportation of radioactive materials.

**Operational Expenses:** The FY 2013 President's Budget requests \$20 million for Operational Expenses to maintain agency operations.

- Within this amount, \$465,000 is requested for IT Modernization. Funds will be used to eliminate fragmented information, provide a one-stop shop for data and information, and ensure IT systems provide transparent and immediate access to data across PHMSA.