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PHMSA's Proposed Pipeline Penalties Hit All-Time High; Serious Pipeline Incident Count Hits All-Time Low

Agency Proposed Largest-Ever Collective Civil Penalties in 2013; Tougher Penalties Helping Contribute to Increased Pipeline Safety

WASHINGTON – The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) today announced that in 2013, it proposed more than \$9.7 million in civil penalties against pipeline operators who violate safety regulations. The figure is the highest yearly amount of proposed penalties in the agency's history.

“The Department remains committed to ensuring America's 2.6 million mile pipeline network is capable of safely delivering America's vital energy needs,” said U.S. Transportation Secretary Anthony Foxx. “The proposed fines send the powerful message that we are holding non-compliant pipeline operators accountable for their actions and will be using our higher civil penalty authority to the max whenever necessary.”

Since 2009, PHMSA has proposed more than \$33 million in [civil penalties](#) against pipeline operators, \$10 million more than the amount proposed in the previous five years combined. It has also issued [544 enforcement orders](#) over the past five years, constituting more than half of all orders issued by the agency since 2002. PHMSA also reports 45 percent less [serious pipeline incidents](#), those resulting in fatalities or major injuries, since 2009. The count has declined each year since 2009.

“The results are clear: we are using our enforcement tools to hold pipeline operators accountable and also resolve enforcement actions quicker than ever,” said PHMSA Administrator Cynthia Quarterman.

In 2013, PHMSA initiated 266 enforcement cases against pipeline operators for problems involving their integrity management programs, risk assessments, failure prevention and mitigation programs, and several other possible regulatory violations identified during failure investigations and routine inspections. In addition to proposing penalties for each

federal violation, enforcement orders also include case-specific safety instructions to ensure all issues have been resolved.

Tougher enforcement is a result of PHMSA's internal improvements to its pipeline inspection and tracking procedures. Recognizing that expediting its enforcement process is important to ensure prompt compliance, PHMSA has substantially improved its enforcement efficiency. From 2009 to 2013, for those enforcement cases involving civil penalties or proposed compliance actions, PHMSA reduced its average time to initiate and fully close an enforcement case by 65 percent.

PHMSA has consistently reached pipeline safety enforcement records in recent years. In 2012, PHMSA issued its [highest ever civil penalty](#) in response to a crude oil pipeline failure in Marshall, Michigan. PHMSA also posted its [second highest number of enforcement orders in 2012](#). In 2011, [PHMSA issued a record number of enforcement orders](#).

The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 doubled the maximum civil penalty amount PHMSA is able to impose against pipeline operators for violating pipeline safety regulations from \$100,000 to \$200,000 for each violation, and from \$1,000,000 to \$2,000,000 for a related series of violations. PHMSA adopted the new maximums into official regulations in September 2013, completing half of the Act's mandates by the year's end. The tougher penalties apply to violations that happen after January 3, 2012, the date the Act was enacted.

For more information on PHMSA enforcement, [click here](#).

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The Pipeline and Hazardous Materials Safety Administration 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 ten agencies within the U.S. Department of Transportation.