



**REMARKS AS PREPARED FOR CYNTHIA QUARTERMAN
ADMINISTRATOR, PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY PIPELINE DATA WORKSHOP
WASHINGTON, D.C
- - MONDAY, JANUARY 7, 2012 - -**

Thank you, Jeff. Good afternoon and welcome, everyone. Before I begin, thank you to all attendees, guests, and staff who have come together to make this happen. Thank you also for your patience in allowing us to reschedule this conference at the last minute. It was difficult for some of you, but it was the right decision. While DC was spared the devastating effects of Hurricane Sandy, our staff was working 24:7 preparing for and assisting those who were less fortunate.

As you all know, *safety* is PHMSA's first and foremost priority. You all play important roles in helping us protect the American public from the risks of transporting hazardous materials. By complying with safety standards; attending training on pipeline safety and emergency response; upgrading older pipelines; or educating the public—each stakeholder group, including members of the general public, contributes to pipeline safety nationwide, especially when we work together. But before we can identify a trend or problem, before we can amend federal regulations, before we can request funding, we have to collect and analyze all relevant data related to pipeline safety. There's a diverse group of professionals in the pipeline safety arena. Whether you are an analyst, business executive, firefighter, engineer—regardless of your title—you know that data is key; it's usually the first step to effectively carrying out your duties. Likewise, we at PHMSA simply cannot fulfill our safety mission without accurate, high-quality data. That's why it is absolutely essential for all stakeholders to review the current data we collect and discuss improvements for a more efficient and safer pipeline transportation system.

Last Thursday, January 3rd, marked the one year anniversary of the Pipeline Safety Act. I was pleased to join Secretary LaHood as President Obama signed that bill into law. But it was a tough road leading up to that day. Families in Marshall, San Bruno, and Allentown lost their loved ones and hard-earned property in major pipeline incidents. Secretary LaHood and I met with those who were affected; no one should ever experience what these people have gone through. In honor of them, PHMSA has made significant progress in implementing the Pipeline Safety Act and addressing safety concerns raised by the NTSB.

In 2012:

- we began a rule to update federal regulations to double civil penalties for safety violations;

- the day after Christmas, we sent to Congress several letters with reports on leak detection, automatic and remote control shut off valves, depth of pipeline cover at river crossings and a state-by-state cast iron inventory;
- we issued safety advisories on records verification for MAOP, cast iron distribution lines, communication during emergencies, reporting exceedances of maximum allowable operating pressure and drug and alcohol testing.

Since being sworn into office 3 years ago, I have said many times that, “PHMSA is the most important agency that the public has never heard of.” Well, for the most part, that’s still true! And to a certain extent that is a good thing. On a daily basis, the world of pipelines should be out of sight and out of mind. The public should be able to rest assured that we are ensuring their safety. Think about it: there is enough pipeline mileage to wrap around the world *one hundred times*; pipelines are close to our homes, offices, schools— almost everywhere. As long as pipelines deliver vital fuels in a safe and efficient manner, most people are either unaware of them or not paying close attention. Generally speaking, pipelines are still the safest, most efficient and practical means of transporting hazardous materials. I commend the Office of Pipeline Safety—especially its field inspectors—for directly contributing to that overall strong safety record. But I cannot say that without emphasizing that we still have work to do. While the public should be able to rely upon all our efforts to prevent incidents and ensure pipeline safety, they should also be prepared in the rare instance that an incident does occur. Despite a strong overall safety record, it is still our responsibility to pay attention at all times, to stay ahead of the curve in the interest of the public, first responders, workers and our environment. Data has an important role in making that happen.

We already know that serious pipeline incidents are low-probability, high-consequence events. But, most of you also know that the frequency of such high-consequence events has increased in recent years. We have seen the devastating effects of them, in Marshall, Michigan, San Bruno, California, Allentown, Pennsylvania, and Billings, Montana. Those incidents took several people’s lives and homes, injured others, spoiled the environment, and damaged property; moreover, these incidents removed peace of mind in communities across the country about pipeline safety. Secretary LaHood and I, as well as some PHMSA execs and staff, met with these people in their communities. No one should ever experience what those communities went through. This is where the data comes in; this is why it’s important. As most of you know, PHMSA lauds itself on making data-driven, risk-based decisions. But if we’re going to *reduce* risk and make better decisions, we have to collect *more and better* data in *smarter* ways.

Of course, if it were that simple, we’d already be doing it! Unfortunately, right now, our best data resides not in any computer warehouse, but in the brains of our pipeline inspectors. I think it’s clear to everyone here that we need to improve data collection; but *how*? Data is dynamic. Quite frankly, we’re not counting apples here—this is critical information that can save lives, as well as resources. PHMSA is going to need each of you to bring your unique expertise to the table. *What data do we have? What data do we need? How should we analyze that data to make the best informed decisions? How do we present data and analysis to the public?*

To kick-start today's discussions, let's talk about PHMSA's data vision. I have a vision for more comprehensive, user-friendly safety data and performance measures. Jeff can tell you that, based on our numerous meetings together, I always emphasize three points:

- 1) We need to broaden the scope of pipeline data that PHMSA collects and fill critical data gaps;
- 2) We need to analyze that data more to support our decision making; and
- 3) We need to make our data easier to use for ourselves, operators, and the public.

On the first point, we are limited in the data that we collect and have critical gaps in that data. Consider the data we have about the last few year's serious pipeline incidents—we don't know the primary causes in about 25% of those cases. These gaps directly impact PHMSA's ability to carry out its safety mission effectively. I envision a system one day that will allow us to map on a geospatial basis, not just the characteristics of a pipeline like its age, material, coating and cathodic protection system, but also its inspection and incident histories, from both state and federal programs. We also need near-miss reporting to capture trends that could help avoid future incidents. As to data analysis, imagine what better decisions might be possible if, for example, some 3rd party were to analyze industry-wide and associated dig data to improve the capabilities of inline inspection tools. Or if we were able to create meaningful performance measures that help identify problem spots *before* incidents occur. Data could be made much easier to use by the public and it could help the regulated industry and regulators as well if, for example, the documents usually accessed during inspections were made available remotely. There are so many possibilities, some of which are years away and some of which are low-hanging fruit. Our vision is to pick that fruit and find ways to become more efficient and effective in the future.

With that being said, we already have new data initiatives underway. I look forward to the results of these initiatives. I'd also like to reiterate the President's support for pipeline safety. This administration – from President Obama on down – is keenly aware of its enormous importance to our economy and our safety. Last year, the President set forth the largest budget proposal increase for pipeline safety in history; \$177 million just for pipeline safety, \$8 million of which would go to the formation of a National Pipeline Information Exchange Program (NPIX). That funding becomes more and more needed as our pipeline infrastructure ages and domestic production and new pipeline projects increase.

To all participants: each of you uses or can use pipeline safety data to your advantage. Because of that, you offer great insight for enhancing current metrics, as well as initiating new ones. I know that you have come here today with suggestions for implementing feasible solutions, including meaningful performance metrics, which NTSB Member Rosekind will discuss shortly. Thank you all for participating in the Pipeline Safety Data workshop and let's work together today to develop sustainable solutions.

I now turn it over to Dr. Mark K. Rosekind of the National Transportation Safety Board. Mark, thank you for joining us today in this important discussion; you have the floor!

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