



Perspectives on Pipeline Safety Issues

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DOT Office of Inspector General

Pipeline Safety Trust Conference
New Orleans; November 22, 2013

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Cal Scovel

Topic Areas Regarding Pipeline Safety Programs

- Integrity Management
- Operation Qualifications
- Control Room Management
- State Pipeline Safety

Review In Progress

- **PHMSA's Management and Oversight of the State Pipeline Safety Program**
 - NTSB recommendation to the Secretary of Transportation following the 2010 deadly gas pipeline explosion in San Bruno, CA
 - Objectives: Assess the effectiveness of PHMSA's (1) policies and processes for executing the program; and (2) program oversight for verifying States are executing their pipeline safety oversight and enforcement responsibilities.
 - Status: Report pending

		Memorandum	
U.S. Department of Transportation Office of the Secretary of Transportation Office of Inspector General			
Subject:	INFORMATION: Audit Announcement - State Pipeline Safety Program Pipeline and Hazardous Materials Safety Administration Project No. 12A3008A000	Date:	April 12, 2012
From:	Jeffrey B. Guzzetti Assistant Inspector General for Aviation and Special Program Audits	Reply to Attn. of:	JA-10
To:	PHMSA Assistant Administrator and Chief Safety Officer		
<p>The Pipeline and Hazardous Materials Safety Administration (PHMSA) is responsible for overseeing the safety of the Nation's pipeline system, an elaborate network of more than 2 million miles of pipeline that moves millions of gallons of hazardous liquids and more than 55 billion cubic feet of natural gas daily.¹ Pipeline incidents can have catastrophic consequences, such as the deadly gas pipeline explosion on September 9, 2010, in San Bruno, CA, that resulted in 8 fatalities, 66 injuries, and 34 homes destroyed.</p> <p>The San Bruno pipeline is an intrastate natural gas transmission line operated by Pacific Gas and Electric Company and regulated by the California Public Utilities Commission (CPUC), a State agency responsible for overseeing and enforcing Federal pipeline safety regulations. PHMSA authorizes State agencies such as CPUC to conduct oversight and enforcement of pipeline operators through PHMSA's State Pipeline Safety Program.² This program also provides Federal grant funds to State agencies as an incentive to improve pipeline safety and State program performance.³ Funding for this program has increased significantly, from an average of about</p>			

Why This Review

■ Notification of Reviews of PHMSA's Oversight of Pipeline Safety

- Three reviews were prompted by congressional concerns about the effectiveness of Federal and State oversight of pipeline operator programs after recent pipeline incidents in Michigan and California.
- The three reviews will examine PHMSA's oversight of:
 - The State Pipeline Safety Program,
 - Pipeline operators' federally mandated integrity management plans, and
 - Current and planned programs to address human factors and other aspects of control room management where supervisory control and data acquisitions systems are used.

Approach and Methodology

- We reviewed States certified under PHMSA's Natural Gas Program for calendar years 2010 to 2011. We randomly selected 5 of the 46 certified States (49 State agencies) to review and visit—California, Oklahoma, Florida, Georgia, and Texas.
- To evaluate the effectiveness of PHMSA's State Pipeline Safety Program, we:
 - Analyzed PHMSA's guidance, policies, and procedures.
 - Interviewed PHMSA management and program evaluators responsible for Program management and oversight at Headquarters and selected States.
 - Shadowed PHMSA's annual program evaluations at three selected States, and shadowed PHMSA's triennial grant review of one selected State.
 - Interviewed State program directors and inspectors.

Approach and Methodology

(cont'd)

- Reviewed documentation from PHMSA and each of the selected States for the annual program evaluation. We selected the 2010 and 2011 program evaluations from each of the 5 randomly selected States we visited, for a total of 10 program evaluations. We selected a total of 645 program evaluation requirements (129 per State) that were non-technical and had a direct impact on safety.
- Reviewed documentation supporting a sample of expenses that California, Oklahoma, Georgia, and Texas submitted to PHMSA for reimbursement.
- Reviewed and analyzed staffing formula documentation that PHMSA used to assess State staffing levels.
- Interviewed NTSB and other stakeholders regarding the Program's effectiveness.

Observations – Opportunities To Strengthen the Program

- We plan to publish our final report later this year. The report will detail opportunities to strengthen the State Pipeline Safety Program. These include:
 - Assessing States' compliance with performance factors and scoring their performance.
 - Further refining guidelines to the States for implementing the Program.
 - Strengthening oversight of suspension grant funds.

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