

American Gas Association (AGA) Board of Directors Executive Committee Meeting
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**Speech as Written for Delivery by
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U.S. Department of Transportation**

**American Gas Association (AGA) Board of Directors
Executive Committee Meeting**

**AGA Headquarters
Washington, D.C.**

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Introduction

Thank you, Pierce (Norton, President and CEO of ONE Gas), for your kind introduction, and thank all of you for welcoming me here today.

As you may already know, I was sworn in as PHMSA Administrator about a month ago, having come from the freight rail industry, where I focused on public safety, the environment, occupational health, and hazardous materials transportation safety and security.

After a wonderful 40-year career, I retired from CSX Transportation in Jacksonville, Florida, in March of this year.

Now, I will pause here because I'm guessing that at least some of you are wondering why I would un-retire and leave sunny Florida to go to work in the Federal government?

Well, there are three reasons:

- First, I truly believe that if you are asked to serve this great country of ours, you should—if you can—make that commitment.

- Second, I'm excited by the opportunity to share my years of work, dedication, and commitment to improving the safe transportation of hazardous materials throughout the pipeline and surface transportation network in this country.
- Third, I believe that reaching new levels of safety is something we can, and must, do together.

With that in mind, I'd like to take this opportunity to thank you for your consistent collaboration with PHMSA and your efforts to improve pipeline safety.

PHMSA's Vision and Priorities

Infrastructure is the backbone of our economy. It keeps our country moving and raises the standard of living for all Americans, including workers employed in the vast pipeline industry.

At PHMSA, we are guided by Secretary Chao's three main priorities, which are:

- Maintaining and strengthening safety using sound science and risk-based analysis;

- Rebuilding and refurbishing our country's critical infrastructure; and
- Creating a regulatory environment that fosters innovation.

When we look at the Secretary's priorities, it's evident that even though we come from different backgrounds, we all share the same forward-looking commitment to helping PHMSA fulfill our safety mission.

I've only been with PHMSA for a short time, but already I can see what an incredible agency it is, full of dedicated, hardworking safety professionals.

PHMSA Accomplishments and Objectives

Our Nation needs a top-notch transportation system in order to reach the President's goal of U.S. energy dominance, and the great team at PHMSA has made some incredible strides towards that objective.

PHMSA is working to actively support the expansion of our country's energy infrastructure while providing the oversight necessary to preserve the safety and integrity of the infrastructure we already have.

I look forward to continuing our work together to reduce incidents and achieve our mutual goal of zero harm to people and the environment.

Supporting the Administration: Energy Infrastructure/High-risk Infrastructure

This Administration is fully committed to improving the country's infrastructure, including pipelines.

While investing in new and expanded infrastructure is important, we must also take care of the infrastructure that is currently in place.

Thanks to your efforts, we've seen the number of States with some form of accelerated infrastructure cost-recovery program rise to 41.

In addition, 21 States have eliminated cast iron or wrought iron in their natural gas distribution systems.

We want to see this continue.

We appreciate the financial and permitting challenges associated with these efforts and are ready to help you work with State regulators and siting authorities.

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Supporting damage prevention is another way we can all work together to reduce incidents.

We appreciate your support of 8-1-1.

Damage to pipelines during excavation is a leading cause of serious incidents involving fatality or injury; as such, the promotion of 8-1-1 is a top priority for me at PHMSA.

Research proves that if someone calls 8-1-1 before they dig, they have a 99 percent chance of completing their project without incident, damage to the environment, or anyone getting hurt.

PHMSA also supports effective enforcement of damage prevention laws if contractors or companies don't follow the minimum requirements to prevent excavation-related damage.

I truly believe the cooperation between PHMSA and States will continue to improve the safety record of pipelines in our country.

Safety Management Systems

Safety Management Systems, or SMS, are an approach we can all use in pursuit of our goal of zero incidents.

I'd like to applaud the AGA for your support of SMS, your efforts on the development of API Recommended Practice 1173, and your participation in our SMS Working Group.

SMS allows us to be proactive, helping us break out of the cycle of responding to yesterday's accidents.

Our experience has taught us that a pipeline operator is only as good as its weakest link.

This is where SMS can have the greatest impact, reaching all levels of an organization – contractors and employees alike – and providing a clear set of guidelines.

You may know that PHMSA is a big proponent of SMS, both internally and for operators, but as a former railroad executive I've been a fan since long before my time with PHMSA.

Supporting the Administration: Regulatory Reform

At PHMSA, we stand by our regulations.

That being said, I believe that we can work together to simplify rules and invest resources where they are needed most.

PHMSA was tasked with identifying opportunities to reduce the regulatory burden facing pipeline companies.

As part of this effort, we are reviewing our regulations to make sure they comply with recent Executive Orders requiring the assessment of our regulations and rulemakings.

We welcome your input on this process.

PHMSA's focus is ultimately on performance, and we believe that it is the responsibility of industry to understand and manage the risks inherent in the transportation of energy and hazardous materials.

In this time of regulatory reform, I encourage you to evaluate your systems so you can optimally distribute your resources to address the greatest areas of risk.

Research and Development

Research and Development, or R&D, is another area where we can continue to close the safety gap to reach our mutual goal of zero incidents.

I am proud of PHMSA's R&D program, which generated 27 new technologies focused on preventing damage, identifying and minimizing leaks, and detecting defects in piggable and difficult-to-inspect pipelines prior to failure.

I encourage you to support R&D—particularly regarding new technology—as this is an ideal time to push forward on projects and programs to increase pipeline safety.

Conclusion

We at PHMSA enjoy meetings like this because they're a chance to learn how you hope to improve safety.

While we might not always agree, it's essential that we keep an open dialogue – PHMSA will always listen to your concerns.

We also like these meetings because they provide an opportunity to ask for your help.

The public doesn't think about us when everything is running smoothly, but when there's a major incident everybody hears about pipelines.

Let's work together to change that narrative.

I encourage you to take advantage of our time together to offer input and urge you to be on your A-game to drive safety as we strive towards our mutual goal of zero incidents.

Now is the time to undertake initiatives you believe will increase safety, including full-throttle advancement of R&D and new technology.

This will help protect people and the environment while improving public perception.

While industry's record is impressive, I urge you to not sit on your laurels.

Work with PHMSA to pursue that coveted goal of 100 percent safety!

Make the move to be all-in on Safety Management Systems!

Because, at the end of the day, we're all in this together.

Thank you.

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