

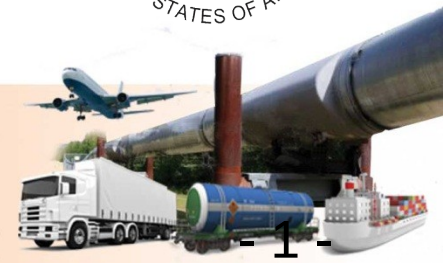
**U.S. DOT
Pipeline and Hazardous Materials
Safety Administration**

Effective Enforcement



**Know what's below.
Call before you dig.**

**June 1, 2015
Linda Daugherty**

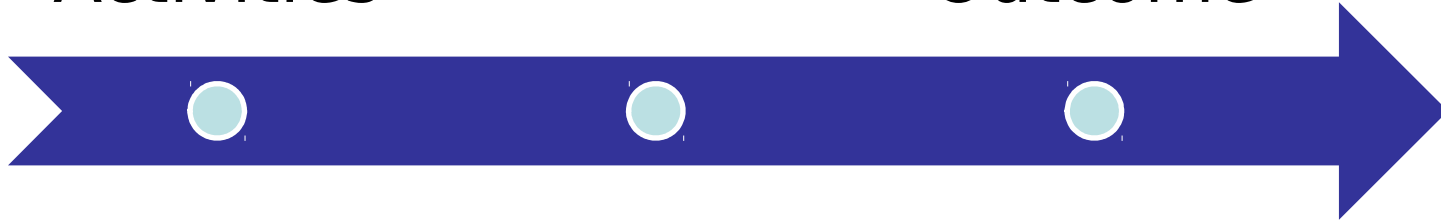


**Enforcement is effective
only if it helps to achieve
your end goal/outcome.**



Activities

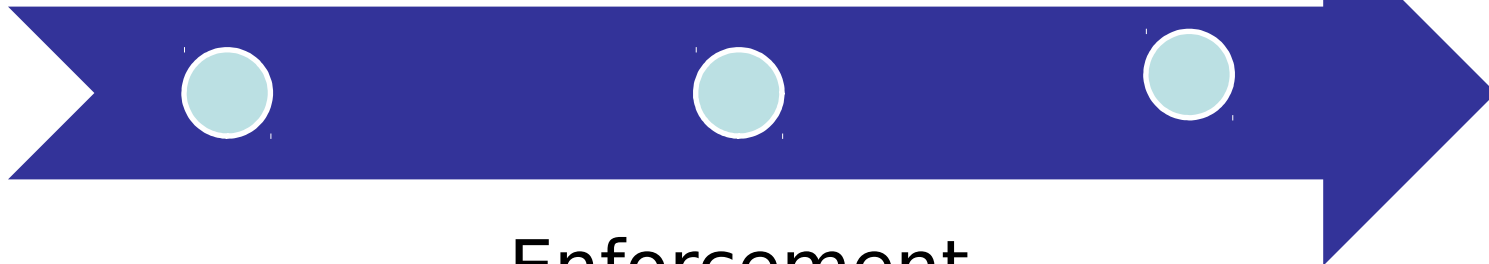
Outcome



Outputs

Inspection

Safety



Enforcement



Meaningful Metrics

Recent media articles have taken PHMSA to task for decreasing enforcement actions and decreasing civil penalties while the number of significant incidents are increasing.

Is it a valid concern?

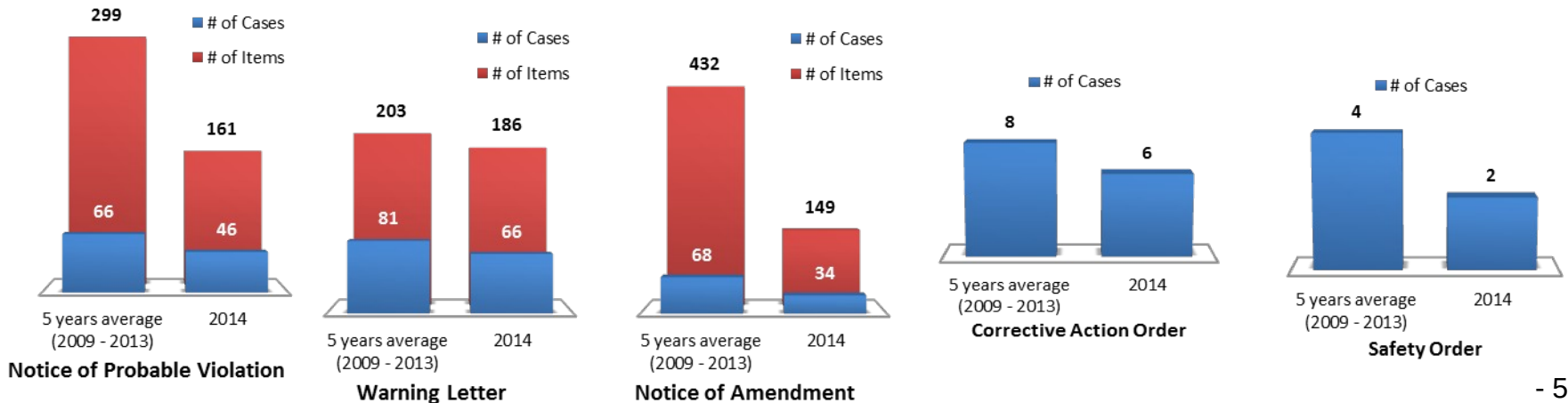


Drop in Number of Cases / Items

•Based on the past 5 year average, the number of NOPV cases issued in 2014 were down 31% with a reduction of over 46% in the number of items. The number of NOA cases issued were down 50% with a reduction of over 65% in the number of items

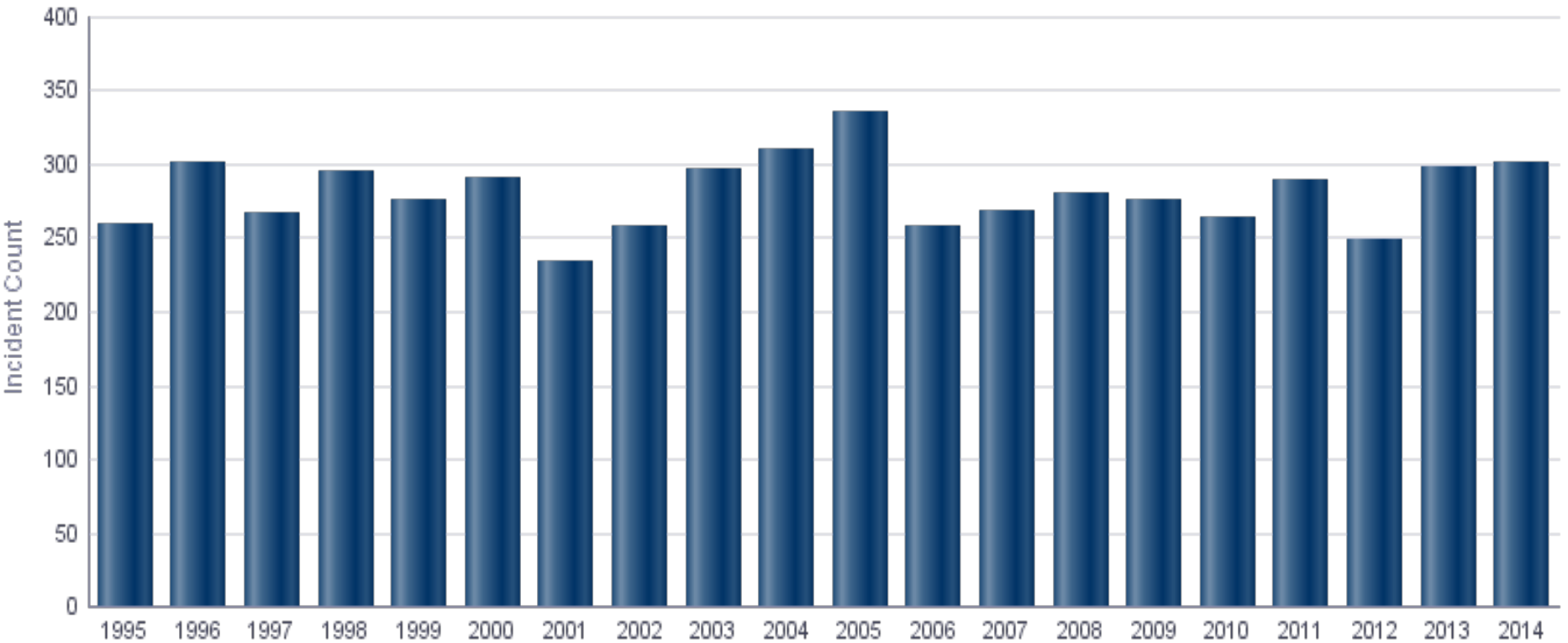
Year	Notice of Probable Violation		Warning Letter		Notice of Amendment		Corrective Action Order	Safety Order	Total	
	# of Cases	# of Items	# of Cases	# of Items	# of Cases	# of Items	# of Cases	# of Cases	Total Cases	Total Items
5 years average (2009 - 2013)	66	299	81	203	68	432	8	4	226	945
2013	82	333	92	285	85	457	5	2	266	1,082
2014	46	161	66	186	34	149	6	2	154	504
Change(-/+)	-31%	-46%	-18%	-8%	-50%	-65%	-25%	-50%	-32%	-47%

One Item for Safety Order and Corrective Action Order cases



Significant Incidents

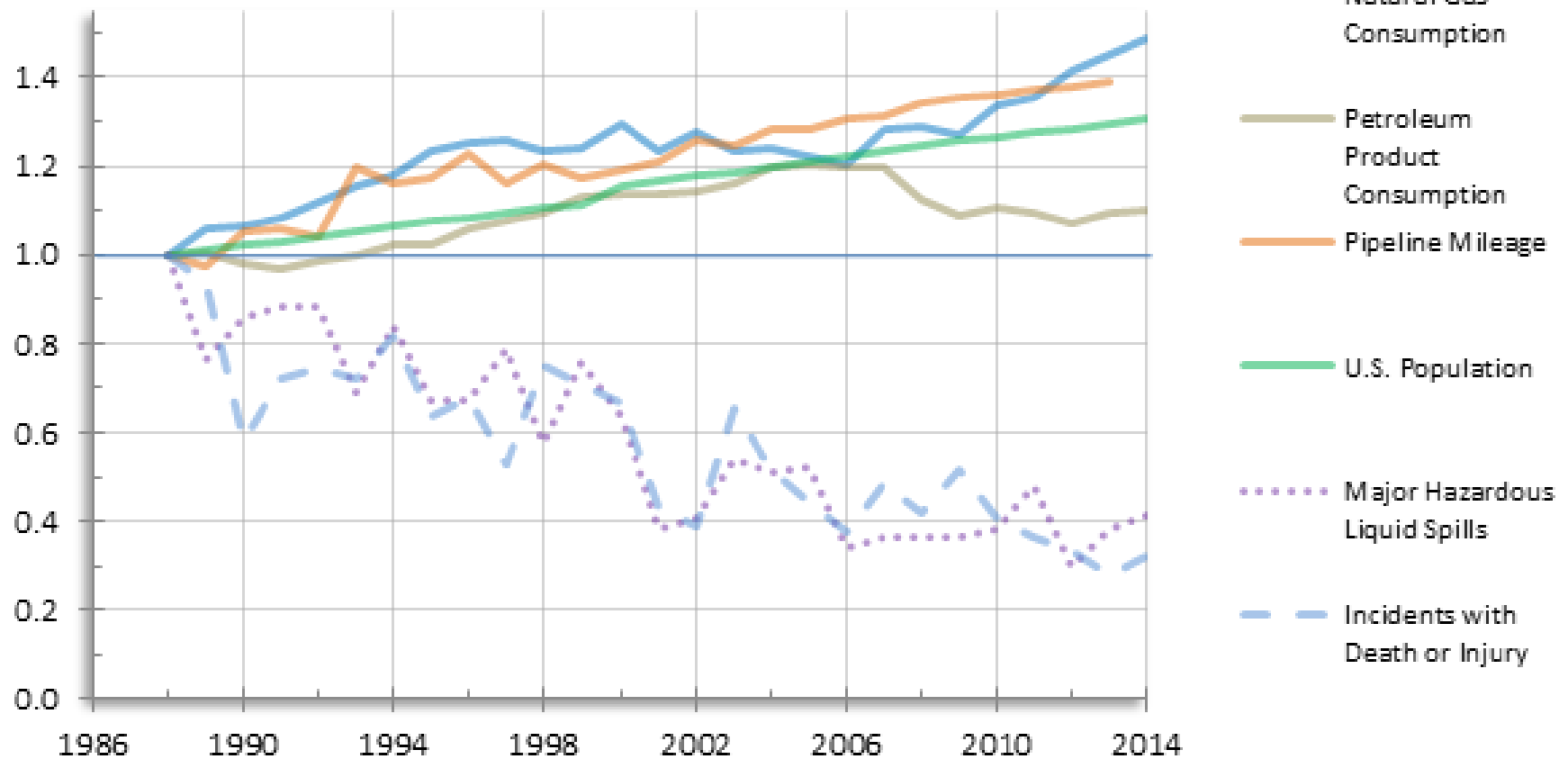
All System Types



data as-of 2/2/2015

Pipeline Safety with Context Measures (1988-2014)

Index
(1988 = 1)



Calendar Year

Data Sources: Energy Information Administration, Census Bureau, PHMSA Annual Report Data, PHMSA Incident Data -- as of March 25, 2015.



Effective Enforcement?

Does an overall decrease in the number of enforcement cases mean:

- Pipeline companies are more compliant?
- Inspectors are less thorough?
- Inspections are taking longer, so there are fewer cases generated?



How does the public/industry/Congress perceive effective enforcement?

Fines

(punishment?)

3+ million to US
Treasure

Ordered Actions

500+ million in
safety
improvements



Questions

- What is the time value of enforcement?
 - Smaller cases/fines can be resolved within six months.
 - BIG cases/fines can be litigated over many years.
- How does the “belief” of the regulated entity in requirements relate to efforts to comply and effectiveness of enforcement?
- Should external driver (public opinion/Congress/etc.) influence enforcement actions or policies?



Thank you



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U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration

To Protect People and the Environment From the Risks of
Hazardous Materials Transportation

