



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



PHMSA Office of Pipeline Safety – State Programs Liaison Presentation

Don Martin

**NAPSR Southern Region
Meeting
Myrtle Beach, SC**



State Liaison Topics

Review of Program Related Items

- **Grant Application/Certification**
- **Progress Reports**
- **Year-End Payments – Indirect Costs**
- **Grant Reviews**
- **Annual Performance Evaluations**
- **DIMP**
- **Guideline Revisions**



Grant Application/Certification

- Program Descriptions –
 - Grant description should outline “what the grant money is paying for”
 - Be sure to update annually
 - Any who did not provide adequate description last year were asked to resubmit
 - Outline any proposed contracts adequately or anything outside the norm



Grant Applications/Certification (cont.)

- Program Narrative
- Program Description (operators, services, mileage)
- Inspection expectations (expected man-days, special projects)
- Other notable activities (enforcement or other activities)
- Personnel Involved
- Budget Narrative explanations – (Auto and equipment, etc)



Annual Progress Report

Attachment 1 - Jurisdiction

- All programs were asked to verify
 - 60105 – Intrastate Jurisdiction designation (most common)
 - 60106 – If you have an agreement without Jurisdiction
 - 60105/60106 – These instances are **extremely rare** – only to states who have some partial jurisdiction (i.e. inspection jurisdiction but no enforcement jurisdiction)
 - 60105P – You don't have 100% jurisdiction
 - X/IA – Interstate Agent



Progress Report (cont.)

- No Column Codes –
 - A – None in State and does not have jurisdiction
 - If you do have jurisdiction – you should list 60105 with “ZERO” operators
 - B – State does not have jurisdictional authority – (make comments if there is a status change pending)
 - F – Not an interstate agent – (applicable to interstate items only)
- Review and don’t assume what you did “last year” was necessarily right
- Make good comments on issues that might not exactly fit



Progress Report (cont.)

Attachment 2 – Person-Years

- Damage prevention person-days should not include general activities by those states who have enforcement
- Only days counted on this form are related to 192.614

Attachment 3 – Operator Count

- Review inspection units to see if they match Attachment 1 – provide explanation for variances



Progress Report (cont.)

Attachment 4 – Incidents/Accidents

- Only need summary

Attachment 5 – Compliance Actions

- If you are an interstate agent, make sure interstate enforcement actions are included
- Make sure compliance action numbers are carried forward correctly from previous years
- Are you counting compliance actions correctly? – See guidance



Progress Report (cont.)

Attachment 7 – Personnel and Training

- Review personnel qualifications for proper category
- Do not list personnel with “Zero” time in program (this can be an issue in dual program states)
- Verify Training records provided by TQ (SABA)



Progress Report (cont.)

Attachment 8 – Adoption of Regulations

- Adoption of Applicable Regulations
- Must adopt within three years or zero points
- Must be taking steps to adopt between two and three years otherwise a deduction (docket established or bill introduced, etc.)
- Full points if taking steps to adopt or adopted within two years
- **Make notes, Make notes, Make notes** – ensure accuracy



Progress Report (cont.)

Attachment 8

- Must have \$100,000/\$1,000,000 civil penalties to be considered “substantially the same as”
- Make sure notes are accurate
- Provide links to penalty citations in state law
- One-Call Penalties
 - Indicate what penalties are
 - “Substantially the same” (One-Call only) means most any amount of penalty is acceptable & enforcement does not have to be with pipeline agency



Year-End Payments

- Timeliness – changes delay process for everyone
- Get signed copies in on time
 - Electronic signatures should be available in future
- Must list individual equipment purchased over \$5000
 - (mostly just automobiles, but could include higher end equipment such as copiers, etc)
 - These should have preapproval from grant application or other correspondence
- Contract approvals – you must have in advance from PHMSA State Programs



Year-End Payments

Indirect Costs

- CY2012 was the last year to use 10% provisional rate without having a negotiated rate in place
- Still 20% cap in indirect costs – based on total direct costs
- As of April 2013
 - 17 programs have designated PHMSA as cognizant agent
 - 12 programs have other federal agency as cognizant
 - 14 programs pending
 - 6 programs are choosing not to collect indirect
- OMB proposal to have agency set flat indirect rate is pending along with combining cost principle documents



Grant Reviews

- Second 3-year cycle underway. Some states may see shorter time frame so we can spread these out
- Will also be looking at SDP grants if your agency received the funds
- **KEEP SOURCE DOCUMENTS**
- **PREPARE IN ADVANCE**



Grant Reviews (cont.)

- Time and Effort Reporting – Personnel not devoting 100% of their time to pipeline safety must keep monthly activity reports. (see Memo 2009-3 and State Guidelines)
- Categories – placing information in correct category is important for consistency – guidance has been made available
 - Travel is all travel
 - Training is tuition and registration fees
 - Call or Refer to guidance for questions



Grant Reviews (cont.)

- Direct costs – must be “directly” assignable to the grant program.
- Shared costs are Indirect – (i.e. overhead or all things that are not direct such as agency hardware for IT “network”)
- Equipment – all individual purchases over \$5,000 must be approved either by being clearly stated on grant application, or separate correspondence
- Contracts – all outside contracts must be preapproved by PHMSA in advance.



Grant Reviews (cont.)

- Source documents and other...
 - We need to review source document during grant review
 - These vary from state to state
 - We will work with state to figure out of what they have is acceptable
- Keep your working papers –
 - Keep a file with documents you used to enter information for reimbursement
 - We will ask you to recreate this information
- One-Call Grants
 - **You** are responsible for pass-through funds



Annual Performance Evaluations

- Evaluation forms were only revised to add minor points to questions which were no points in previous year
 - Question C.18(gas) – DIMP Programs
 - Question D.6(both) – Demonstrating Enforcement Actions
- Some states may receive more field inspection time than in past.
- Prepare for evaluation in advance – it's an open book test
- Evaluator may change based on State Liaison work schedules



Annual Performance Evaluations (reminder)

- Public Awareness Program Effectiveness Inspections are completed by Dec 31, 2013
- DIMP inspections completed by Dec 31, 2014



DIMP Inspections

- First round of DIMP inspections expected to be complete by the end of 2014.
- Performance based regulatory programs (Like DIMP) can be a challenge to inspect and extra time may need to be allocated.
- Inspections must include an effective exchange of information from all parties involved for regulators to gain a sufficient understanding to determine compliance.



Inspection Results and Findings

- Data quality is a common concern
- Data acquisition and data handling processes commonly must be modified for DIMP needs
- Accurate and adequate knowledge of the system is the basis for identifying risks to the safe operation of the pipeline system.
- Identifying existing and potential threats is required and key to supporting an Operator's decisions regarding measures to implement to reduce risk(s).



Lessons Learned

- Operators must look beyond leak and incident data to other sources of information including “near misses.
- Consequences must be adequately accounted for in the DIMP.
- The Plan should culminate in a prioritized list of risks, measures to address potential and existing threats, and performance measures to evaluate the effectiveness of the DIMP.



2013 Guidelines Revisions

- Forward any issues to Don Martin @ don.martin@dot.gov
- Any changes developed will be reviewed and forwarded to states for comment later in year
- Please forward anything you believe needing further guidance



2013 Guidelines Revisions

Section 1.5	3, 4	Invitational Travel	Language was added to clarify eligibility for invitational travel to NAPSR Board of Director's Meeting and Regional Meetings.
Section 2.1	5	Section 60105 Certification	Added: Reference to new Appendix P which describes the procedure to decertify a state program.
Section 2.6.2	9	Attachment #2: Total State Field Inspection Activity	Added language to clarify that inspection person days should only include inspection activities (including damage prevention enforcement or investigation) on pipelines subject to Parts 192, 193 and 195.
Section 2.6.5	9	Attachment #5: State Compliance Actions	Added language to clarify compliance activities related to state damage prevention law should not be included.
Section 2.6.9	10	Attachment #9: Certification Regarding Drug-Free Workplace Requirements	Removed to reflect that it has been removed from the annual Progress Report.



2013 Guidelines Revisions

Section 4.1	13	Individual Qualifications	Added language for qualification of Program Managers. Program Managers will have five years to successfully complete required courses at the latter of five after January 1, 2009 (January 1, 2014) or the date of their appointment. Also if the test for the course is not passed, enrollment must be made for next available class and test passed.
	13	Individual Qualifications	Added list of required courses from Appendix C.
	13	Individual Qualifications	Added language for orientation of new program managers.
Section 4.4.1	21	Required Training	Added language that individuals whose first available course date preceded January 1, 2008 must successfully complete all required courses no later than December 31, 2013. Also if individual makes below 60 on the post test the individual must enroll in the next available class and pass the test. If post test score is 60 to 69 then a retake may be requested.
Section 4.4.2	22	Course Re-Testing	Added language that an email request for a posttest retake must be sent from the program manager to the TQ Director. The retake will be proctored by TQ staff upon a return visit to the PHMSA TQ Training Center in Oklahoma City.
Section 4.6	23	Changes in State Program Personnel	Revised language to require state program to notify PHMSA State Program Director of any changes to staff. PHMSA State Program Director will request Database Administrators to remove departed individuals.



2013 Guidelines Revisions

Section 5.1			
	24	Inspection	In Subparagraph 2 added the expectation that Public Awareness Program Effectiveness Inspections are completed by December 31, 2013 and initial DIMP inspections completed by December 31, 2014. (No point question was added to Appendix I and J Program Evaluation Forms.)
	26	Inspection	In Subparagraph 3(e) added the link to Public Awareness Effectiveness and DIMP Inspection databases.
	27	Inspection	In Subparagraph 3(g) that Damage Prevention Activities relate to the operator's compliance with 192.614 or 195.442.
Section 6.4			
	33	Safety-Related Conditions	Added that status reports can be accessed in the Pipeline Datamart (PDM). Link to PDM was added.
Section 8.1			
	38	Annual Program Evaluation	Added reference to new Appendix R



2013 Guidelines Revisions

Section 9.2	42	Address	Added language that all correspondence should be shipped through non US Postal Service shippers such as FedEx, UPS, etc.
Section 9.5	45	Application	Attachments 3, 4, 4-A are removed from the Application therefore Subsections 9.5.3, 9.5.4 and 9.5.5 were removed.
Section 9.7.1	47	Grant Allocation Formula	Added reference to new Appendix Q in paragraph 2.
	48, 49	Grant Allocation Formula	Exhibits 9-1 and 9-2 were updated using more current year information
Section 10.2	63, 64, 65	FedStar Location and Procedures	Added FedStar Procedures
Section 10.4	67	Facilitating Grant Financials	Incorporated electronic processing of grant payments in FedStar and added language describing iSupplier related process.
Section 10.5	68	Other FedSTAR Functions	Added language to include the State Uploaded Document System (SUDS)



2013 Guidelines Revisions

Appendix A		49 USC Chapter 601 and 49 USC Chapter 61 (One-Call)	Revised to include 2011 Act
Appendix C		PHMSA Training and Qualification Course Listing and Training Requirement Tables	Revised for latest training requirements. Hazwoper requirement for gas was removed.
Appendix I		State Natural Gas Evaluation Form	Added Two Points to Question C.18 and added No Point item for completing DIMP inspections by December 2014. Added No Point item on Question C.19 for completing PAPEI Effectiveness Inspections by December 2013.
Appendix J		State Hazardous Liquid Evaluation Form	Added No Point item on Question C.18 for completing PAPEI Effectiveness Inspections by December 2013.
New Appendix P		Procedure to Monitor, Evaluate and Reject Certification	Added PHMSA's Procedures for decertifying a state program.
New Appendix Q		Pipeline Safety Grant Progress Report Scoring	Added PHMSA's scoring criteria and awarding of points. (Incorporated for allocation documents forwarded to states each year.)
New Appendix R		NTSB Recommendations Referenced in "Guidelines for States Participating in the Pipeline Safety Program"	Added NTSB accident reports for NTSB recommendations referenced in the Guidelines.



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Questions?