



THE SECRETARY OF TRANSPORTATION
WASHINGTON, DC 20590

April 03, 2015

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WASH. UT. & TP. COMM

Mr. Bob Beaumier
Chairman
Washington State Citizens
Committee on Pipeline Safety
P.O. Box 47250
Olympia, WA 98504

Dear Mr. Beaumier:

Thank you for your letter urging the Department to finalize a number of important pipeline safety rules to protect people and the environment from the risks of transporting hazardous materials by pipeline, and help provide regulatory certainty.

I share your commitment to advancing the safety of our pipeline system and to completing and implementing regulations that support that objective. Notably, we are making important progress in securing additional resources for this critical area. In December, the President signed into law a budget that included \$244.5 million in funding for the Pipeline and Hazardous Materials Safety Administration (PHMSA), and the Administration's FY 2016 Budget requests that the Congress further increase that number to \$289 million. The FY 2015 appropriation includes an increase of \$26.9 million for pipeline safety, which will support more than 100 new positions focused on inspection and enforcement, as well as additional grants and community outreach activities.

Developing additional pipeline safety regulations is a high priority for both the Department and PHMSA. However, as you know, the rulemaking process requires several steps to ensure all proposed and final rules are technically feasible, reasonable, cost-effective, practicable, and properly assess risk. While this process can take time, it exists to make sure each rule achieves the intended safety goal and does not result in detrimental unintended consequences.

With the exception of the "Plastic Pipe" rule, which has recently received a "non-significant" designation from the Office of Management and Budget (OMB), all of the rules that you mention have been designated by OMB as "significant" rulemakings. Rules designated "significant" have potential to achieve important effects, but often carry greater costs, adding complexity to factors such as the completion of cost-benefit analysis. Thus, they require additional review, analysis, and involve a greater degree of interagency coordination.

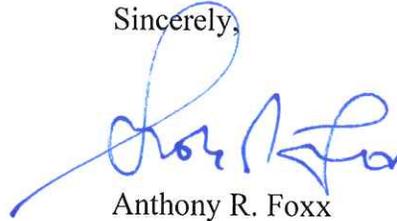
With respect to the status of the other rules that you mentioned, two of them, "Safety of On-Shore Hazardous Liquid Pipelines" and "Excess Flow Valves (EFV's) Expansion beyond Single Family Residences," are currently under review by OMB. The Department and PHMSA are working hard to complete, in a timely and rigorous manner, the analysis and review for a number of additional rules, prior to submitting them to OMB for review.

These include Notices of Proposed Rulemaking titled "Safety of Gas Transmission Pipelines" and "Operator Qualification, Cost Recovery, and Other Proposed Changes," as well as a final rule related to Excavation Damage Prevention. Additionally, on March 11, 2015, PHMSA published "Pipeline Safety: Miscellaneous Changes to Pipeline Safety Regulations," a final rule that updates and clarifies certain regulatory requirements, including subject matter areas such as the performance of post-construction inspections, the regulation of ethanol, and the transportation of pipe.

The status of PHMSA's pending significant rulemakings is updated monthly at <http://www.dot.gov/regulations/report-on-significant-rulemakings>. If you are also interested in information about PHMSA's non-significant rulemakings, there are brief summaries in the U.S. Department of Transportation's Semi-Annual Regulatory Agenda at www.reginfo.gov.

I appreciate your interest in pipeline safety and hope this information is helpful.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony R. Foxx", with a large loop at the end of the signature.

Anthony R. Foxx