

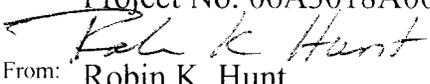


Memorandum

U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Audit Announcement—
the Pipeline and Hazardous Materials Safety
Administration's Special Permits and Approvals
Program
Project No. 06A3018A000

Date: August 29, 2006

From: 
Robin K. Hunt
Deputy Assistant Inspector General
for Aviation and Special Programs Audits

Reply to
Attn. of: JA-10

To: Administrator, Pipeline Hazardous Material Safety
Administration
Deputy Administrator, Pipeline Hazardous Material
Safety Administration
Assistant Administrator for Security and Hazardous
Materials, Federal Aviation Administration
Associate Administrator for Enforcement and Program
Delivery, Federal Motor Carrier Safety Administration
Associate Administrator for Safety, Federal Railroad
Administration

The Office of Inspector General plans to conduct an audit of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Special Permits and Approvals Program. The Department has been authorizing and issuing special permits and approvals for transporting hazardous materials for more than 30 years. A special permit or approval is a document that authorizes a person to perform a function that is not authorized under the authority of the Hazardous Materials Regulation. PHMSA's current database includes over 4,500 special permits and more than 125,000 approvals that it and the Department's other Operating Administrations¹ must oversee to ensure the safe packaging and transporting of hazardous materials.

¹ The Federal Aviation Administration, the Federal Motor Carrier Safety Administration, and the Federal Railroad Administration are responsible for oversight and enforcement of hazardous materials regulations for their respective industries involved in transporting hazardous materials in commerce.

The objective of the audit is to determine the effectiveness of PHMSA's process for reviewing and coordinating with the affected Operating Administration before authorizing a special permit, an approval, or a special authorization for limited quantity or consumer commodity exceptions. We will also assess PHMSA's and the other Operating Administrations' oversight and enforcement of approved parties' compliance with the terms and conditions of special permits, approvals, and limited quantity or consumer commodity exceptions.

The audit will be conducted at PHMSA and the other Operating Administrations' headquarters in Washington, DC, and at selected region and field offices. We will also visit the offices of selected parties operating under special permits, approvals, and limited quantity or consumer commodity exceptions. We plan to start the audit during the week of September 18, 2006, and will contact your audit liaison to schedule an entrance conference. The Program Director for this audit is Scott Macey, and the Project Manager is Robert Falter. If you have any questions or require additional information concerning this audit, please call Mr. Falter at (202) 366-2004 or Mr. Macey at (415) 744-0434.

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