Memorandum

Date: June 12, 2020

Subject: INFORMATION: Audit Announcement | PHMSA Fitness Reviews of Hazmat Approval and Special Permit Applicants | Project No. 20S3007S000
Pipeline and Hazardous Materials Safety Administration

From: David Pouliott
Assistant Inspector General for Surface Transportation Audits

To: Deputy Administrator, Pipeline and Hazardous Materials Safety Administration

According to the U.S. Census Bureau, more than 438 million shipments with more than 2.7 billion tons of hazardous materials (hazmat) valued at more than $3.1 trillion are transported annually by air, highway, rail, and ship. Based on data from the Pipeline and Hazardous Materials Safety Administration (PHMSA), in calendar year 2019, about 22,000 hazmat incidents, 7 fatalities, 177 injuries, and approximately $91 million in damages occurred in all modes of transportation nationwide. To promote safety, PHMSA developed the Hazardous Materials Regulations¹ and oversees shippers’ and carriers’ use of various packaging and transportation safety standards outlined in the regulations. Additionally, PHMSA conducts inspections, other types of safety checks, and outreach to packaging and shipping industries.

The Hazardous Materials Regulations require any person who wants to perform certain regulated functions, such as transporting a new explosive,² to first request approval from PHMSA. Individuals also must request a special permit before they perform functions that are not permitted by regulation. PHMSA evaluates applications for approvals and special permits to determine whether they demonstrate an appropriate level of safety and the applicant is fit.³

---

³ A fit applicant has the knowledge, capability, and performance to safely conduct the activity described in an application.
A thorough and effective review of an applicant’s fitness supports the safe transport of hazmat. Accordingly, the objective of this self-initiated audit is to assess PHMSA’s implementation of Federal requirements for conducting fitness reviews of applicants seeking hazardous materials approvals or special permits.

We plan to begin the audit immediately and will coordinate with your audit liaison to schedule an entrance meeting. We will conduct our work at PHMSA Headquarters and regional offices, and selected applicants for approvals and special permits. If you have any questions, please contact me at (202) 366-5630 or Kerry R. Barras, Program Director, at (817) 978-3318.

cc: DOT Audit Liaison, M-1
   PHMSA Audit Liaison, PHO-10