



Memorandum

U.S. Department of
Transportation

Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –
PHMSA’s Pipeline Safety Research and
Development Program
Pipeline and Hazardous Materials Safety
Administration
Project No. 17S3009S000

Date: July 12, 2017

From: Barry J. DeWeese
Assistant Inspector General
for Surface Transportation Audits

Reply to
Attn. of: JA-30

To: Pipeline and Hazardous Materials Safety Administrator

The Pipeline and Hazardous Materials Safety Administration’s (PHMSA) Pipeline Safety Research and Development (R&D) Program is designed to provide safety improvements, reduce environmental impacts, and enhance the reliability of the Nation’s pipeline transportation system. During fiscal years 2012–2016, the Agency—through its Office of Pipeline Safety—awarded almost \$40 million in support of 85 pipeline safety R&D projects conducted by Federal and non-Federal entities. Those projects cover a number of pipeline safety topics, including pipe coatings, leak detection, damage prevention radar, and anomaly detection and characterization.

In June 2016, Congress passed the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2016,¹ which mandates that we evaluate PHMSA’s pipeline safety R&D program. Specifically, the act requires that we evaluate (1) PHMSA’s compliance with the consultation requirement under the Pipeline Safety Improvement Act of 2002,² (2) the extent to which PHMSA enters into joint research ventures with Federal and non-Federal entities, as well as the resulting benefits, (3) PHMSA’s compliance with its policies and procedures for ensuring there are no conflicts of interest with administering grants pursuant to the program, and (4) the outcomes of research conducted with Federal and non-Federal entities and the degree to which such outcomes have been adopted or utilized.

¹ Public Law 114-183.

² Public Law 107-355 (January 2002).

Accordingly, our objective will be to assess the effectiveness of PHMSA's Pipeline Safety R&D program. Specifically, we will assess PHMSA processes for (1) coordinating with stakeholders, (2) mitigating selection panel members' conflicts of interest, (3) identifying and using outcomes of research conducted by others, and (4) measuring the benefits of R&D outcomes.

We plan to begin the audit immediately and will coordinate with your audit liaison to schedule an entrance conference. We will conduct our work at PHMSA Headquarters, the Office of the Assistant Secretary of Transportation for Research and Technology, as well as selected external stakeholders conducting pipeline safety research. If you have any questions, please contact me at 202-366-1302 or Kerry R. Barras, Program Director, at 817-978-3318.

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cc: PHMSA Audit Liaison, PH-4
OST Audit Liaison, M-1