



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement - Review
of PHMSA's Progress in Improving its Special
Permits and Approvals Program
Project No. 13C3003C000

Date: July 11, 2013

From: Mitchell Behm 
Assistant Inspector General for Rail, Maritime,
Hazmat Transport and Economic Analysis

Reply to
Attn. of: JA-50

To: Pipeline and Hazardous Materials Safety Administrator

The Pipeline and Hazardous Materials Safety Administration (PHMSA), through its Special Permits and Approvals Program, grants approvals for activities allowed under certain conditions identified in the Hazardous Materials Regulations. Individuals and businesses planning to engage in activities that the Regulations do not allow must apply to PHMSA for special permits. In 2009 and 2010, the Office of the Inspector General reported and testified on serious weaknesses in the Program. These weaknesses included how the Agency 1) assessed applicants' fitness or ability to comply with special permit or approval conditions; 2) evaluated applicants' proposed safety measures; and 3) coordinated applications with other operating administrations.

We are initiating this audit to determine the extent to which PHMSA has addressed the Program's weaknesses. Specifically, we plan to assess the Agency's implementation of standard operating procedures for processing special permits and approvals, focusing on fitness, safety, and coordination.

We plan to begin this audit the week of July 22, 2013 and will contact your audit liaison to schedule an entrance conference. The audit will take place at DOT's Headquarters and other sites, as needed. If you have any questions or require additional information, please contact me at (202) 366-9970, or Toayoa Aldridge, Program Director, at (202) 366-2081.

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