



# Memorandum

U.S. Department of  
Transportation

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –  
PHMSA’s Workforce Management  
Pipeline and Hazardous Materials Safety  
Administration  
Project No. 17S3001S000

Date: December 14, 2016

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) Office of Pipeline Safety (OPS) inspection and enforcement staff, along with State inspectors, determine safety standard compliance for companies operating about 2.6 million miles of natural gas and hazardous liquid transportation pipelines. Effective workforce management is essential for the Agency to fulfill its mission to protect the public and the environment from the risks inherent in transporting hazardous materials and to ensure compliance with safety regulations. Yet PHMSA has faced challenges in acquiring the staff necessary to meet its pipeline safety mission. In May 2016, the Congressional Research Service (CRS) reported that PHMSA has a record of persistent understaffing relative to its funding, primarily for its inspector positions.

In the Protecting our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2016,<sup>1</sup> Congress directed us to review PHMSA’s workforce management, including geographic allocation plans, hiring and time-to-hire challenges, expected retirement rates, and recruitment and retention strategies. The PIPES Act also directed us to identify and describe any previous periods of macroeconomic and pipeline industry conditions under which PHMSA encountered difficulty in filling vacancies and the degree to which special hiring authorities, such as direct-hire authority,<sup>2</sup> could have ameliorated such difficulties. In addition, the PIPES Act directed us to make

<sup>1</sup> Pub. L. 114-183 §9 (June 22, 2016).

<sup>2</sup> Direct-hire authority is an appointing (hiring) authority that the Office of Personnel Management can give to Federal agencies for filling vacancies when a critical hiring need or severe shortage of candidates exists.

recommendations to address hiring challenges, training needs, and any other identified staff resource challenges. Accordingly, we are initiating this audit to determine (1) whether PHMSA has developed geographic allocation plans, identified expected retirement rates, and developed recruitment, retention, and training strategies for OPS to address gaps and challenges, such as hiring and time-to-hire challenges and (2) whether previous periods of macroeconomic and pipeline industry conditions impacted the ability to fill OPS vacancies and the degree to which special hiring authorities, including direct hiring authority authorized by the Office of Personnel Management, could have alleviated such difficulty.

We plan to begin the audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work at PHMSA Headquarters and, if necessary, at the Agency's regional offices. If you have any questions, please contact me at (202) 366-5630 or Kerry R. Barras, Program Director, at (817) 978-3318.

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cc: DOT Audit Liaison, M-1  
PHMSA Audit Liaison, PH-3