

# GAO Highlights

Highlights of [GAO-18-461](#), a report to congressional committees

## Why GAO Did This Study

PHMSA oversees the safety of interstate and intrastate natural gas and hazardous liquid pipelines. PHMSA certifies states to oversee intrastate pipelines, and some states also act as PHMSA's "agents" to supplement the federal inspection workforce for interstate pipelines. In recent years PHMSA has signaled a move away from using interstate agent agreements. Recent funding increases have enabled PHMSA to hire additional federal inspectors. States may receive annual grants to reimburse up to 80 percent of the cost of their pipeline safety activities.

Congress included a provision in statute for GAO to review the federal and state responsibilities and resources used to inspect interstate pipelines. This report addresses (1) how state participation has affected interstate pipeline oversight and (2) PHMSA's assessment of the resources needed to conduct interstate pipeline inspections. GAO reviewed relevant laws and PHMSA guidance on state participation in these inspections; analyzed the most recent 6 years of PHMSA funding and inspector staffing data; and interviewed pipeline safety officials from PHMSA and 22 states selected based on level of participation in interstate inspections.

## What GAO Recommends

PHMSA should develop a workforce plan for interstate pipeline inspections, considering, among other things, the additional resources and safety oversight that state pipeline officials can provide. DOT concurred with our recommendation and provided technical comments, which we incorporated as appropriate.

View [GAO-18-461](#). For more information, contact Susan Fleming at (202) 512-2834 or [flemings@gao.gov](mailto:flemings@gao.gov).

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# INTERSTATE PIPELINE INSPECTIONS

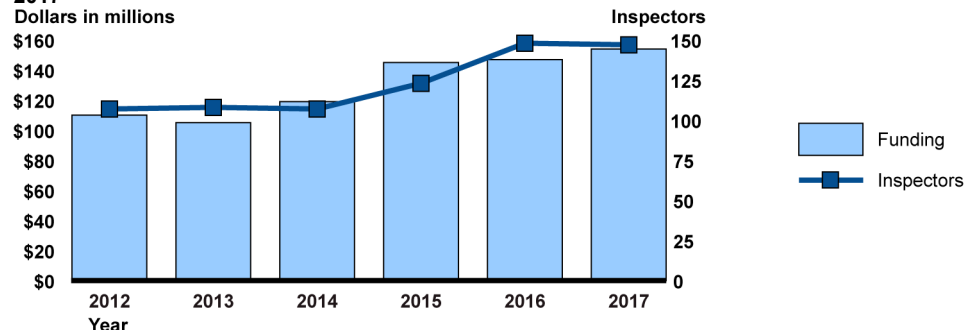
## Additional Planning Could Help DOT Determine Appropriate Level of State Participation

### What GAO Found

State involvement in interstate pipeline inspections can enhance oversight, although the three types of agreements that the Pipeline and Hazardous Materials Safety Administration (PHMSA) uses to allow state participation are not used extensively. Annual interstate agent agreements—held by 9 states—allow states to participate in all inspection activities and can bolster interstate pipeline oversight. For instance, an inspection conducted in 2014 by New York state officials led to \$61,900 in federal civil penalties. Temporary interstate agreements—used in 6 states to date—allow PHMSA to request states to participate in specific interstate pipeline inspections. PHMSA officials said these agreements provide the agency greater flexibility. Some current interstate agents GAO interviewed said that temporary interstate agreements are useful, but are not substitutes for interstate agent status because states do not participate in the full range of inspections. Finally, PHMSA as authorized by federal law recently established joint inspections allowing states to request to participate in interstate inspections. However, state officials were concerned that their role is limited and that they must bear the full cost to participate. PHMSA officials said they intend to clarify the state inspector role in joint inspections and acknowledged that federal grants cannot be used by states to support joint inspection activities.

PHMSA allocated recently hired inspectors based on regional workload, but has not assessed future resource needs. From fiscal years 2012 to 2017, PHMSA's appropriations increased over 40 percent, allowing the agency to expand its inspector workforce by about 25 percent. PHMSA allocated the additional inspectors across the agency's five regions based on workload. For example, PHMSA's central region received a greater percentage of inspectors than other regions to help oversee a number of new pipeline construction projects. However, PHMSA has not planned for future workforce needs for interstate pipeline inspections. In particular, it has not assessed the resources and benefits that states can provide through the three types of agreements. Leading practices for workforce planning indicate that such forward-looking analyses are essential for effective workforce planning. Without such analyses, PHMSA cannot proactively plan for future inspection needs to ensure that federal and state resources are in place to provide effective oversight of interstate pipelines.

Pipeline and Hazardous Materials Safety Administration funding and inspectors hired, 2012 – 2017



Sources: GAO analysis of Pipeline and Hazardous Materials Safety Administration (PHMSA) information and the Office of Management and Budget (OMB) gross budget authority data. | [GAO-18-461](#)