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## Regulatory review is top priority for new PHMSA official

By Sarah Smith

- **Reviews of regulations for appropriateness, unintended conflicts and relevance to new technologies are "always in order."**
- **The federal pipeline regulator needs to work on strengthening and rebuilding relationships with state-based organizations.**
- **Innovation is not just looking for new tools but also looking for new ways technology may compromise safety.**



**Drue Pearce, PHMSA deputy administrator**

*Source: U.S. Pipeline and Hazardous Materials Safety Administration*

*Drue Pearce was appointed in early August as the U.S. Pipeline and Hazardous Materials Safety Administration's deputy administrator. Before that, Pearce worked on energy, natural resources and manufacturing issues as director of government affairs for Holland & Hart in Alaska and Washington, D.C. Earlier in her career, she was the federal coordinator for Alaska's natural gas transportation projects and served as senior adviser to the U.S. Secretary of the Interior.*

*Pearce talked with S&P Global Market Intelligence Sept. 27 about her role at PHMSA. The following is an edited transcript of that interview.*

**S&P Global Market Intelligence: PHMSA is currently taking on a regulatory review and trying to figure out what does and does not suit your needs. What are the opportunities and challenges that you see in that effort?**

**Drue Pearce:** Well, the [regulation] books are ... thick, so it's a challenge just to go through everything that is already there. But I've learned, as a legislator, that you can easily do [things that are] unintentional [that] cause ... confusion or end up with things that conflict [or] that cause problems for people who are trying to follow the law, follow the regs.

A review of what you've already got on the books and whether it's up to date ... is, frankly, always in order. I'm not at all uncomfortable with the specter of doing that, looking at whether or not we can incent even better behavior that we want and the safety culture that we want, [and] trying to help bring that safety culture not just to the industry that we regulate but also to the general public.

I'm very supportive of being the least prescriptive possible, because government doesn't come up with all the best answers. We have to be flexible enough to be able to accept new technologies and new ways of doing things that are safer. Regulations are bulky and take a long time, just by their nature, and statutory changes are even more difficult to change. So you want that flexibility. You want the constant review.

**Most state pipeline safety regulators, except Alaska and Hawaii, have a formal partnership with PHMSA for enforcing federal regulations and overseeing infrastructure. What are the major considerations for you when it comes to PHMSA's relationship with the states?**

The states are so important to us because a high proportion of the inspections that are done are done by the states. They are our ... boots on the ground. [PHMSA] can't operate successfully without them; we're too small. That said, there are challenges both at the state level and the federal level with funding, and we collectively have to figure out how to make sure to do things as efficiently and effectively as possible.

While I haven't been here long enough yet to hear individual state concerns, we know there inevitably are concerns, and so we want to listen. One of my jobs is just to listen to our partners — listen to the industry and listen to the stakeholders — and try to ensure we're understanding the concerns they all have. But the states are such an important partner to us. They stand out. Of course, that's a state legislator talking.

When I was on the liquids [pipeline] advisory committee for PHMSA back in the day, [the National Association of Regulatory Utility Commissioners] and the [Interstate Oil and Gas Compact Commission] had joint meetings on an ongoing basis. I want to make sure that ... we do reach out as an agency and rebuild those relationships [and] that entities like the state partners have that same opportunity.

**In the short time you have been in your position, the U.S. has been impacted by hurricanes Harvey, Irma and Maria. How have those events shaped your introduction to your new work?**

It's been an exciting and interesting seven weeks. Who knew we were going to start 33 days now of [the U.S. Department of Transportation's] Crisis Management Center ... being responsible for ... whatever we could do to respond to the hurricanes? It's given me an opportunity to learn many things about both programs, but especially the hazmat side, which I'm honestly less familiar with. It's given me an opportunity to learn how the partnerships work and how quickly we can respond. I'm very proud of the fact that we can do waivers and we can do some of these things very fast. It's been an exciting, challenging time. Real on-the-job training.

Unfortunately, because of the hurricanes, I didn't get to begin my visits to the regional offices as quickly as I would like. Also, perhaps unfortunately, I've heard more of the folks on the phone and seen more of them in HQ than we necessarily would have expected otherwise. My to-do list just got longer.

**What are your priorities going to be in your new role at PHMSA?**

Safety: safety of our people, safety of Americans, safety of our transportation system.

And then innovation. What's next? What's next in terms of how to make things safe, but also what's the next device that humans are going to devise that can cause safety questions? Who expected lithium batteries to turn into a safety question? Trying to look ahead at what's coming, that is very important.

And then of course, the need ... for a transportation system. We don't get through our everyday lives without ... hazardous materials, so we have to be able to get them safely from point A to point B.

**Do you foresee needing to get that safety message out to the public as part of your work?**

It's everybody's role. That is the first thing [Transportation Secretary Elaine Chow] mentions when she gives any speech to anybody, including us. It's more than just a safety moment. She lives it, and she wants all of us to live it. That just runs through everything we do. I think that the sincerity of that message is what will, frankly, get out to people.

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