

United Transportation Advisors, LLC

For more information, please contact info@uta-network.com

Client Alert

Volume 2, Issue 3 May/June 2011

Advising Professionals in the Transportation Industry

News Flash:

- Transportation Secretary Ray LaHood encouraged Americans to leave their cars at home and try transit on June 16th, national Dump the Pump day
- On the one year anniversary of the tarmac delay rule, the DOT declared the rule effective and announced that there were only 20 tarmac delays longer than 3 hours during the past year
- Transportation Secretary Ray LaHood released an initial \$1.5 million in emergency funds to Alabama to assist the state with emergency highway repairs necessitated by the recent tornadoes

U.S. Department of Transportation Takes Steps to Improve Pipeline Control Room Management

WASHINGTON – The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) today announced that a new regulation to improve the management of pipeline control rooms will go into effect over a year earlier than originally planned. The final rule will include procedures to improve training, mitigate fatigue, and clearly define roles and responsibilities for employees in control rooms for DOT-regulated pipelines.

"Safety is our top priority," said U.S. Transportation Secretary Ray LaHood. "These new regulations will help pipeline operators make critical decisions that could stop a pipeline rupture or leak before it causes harm to people or the environment."

Control room operators monitor hazardous liquid and natural gas pipelines through computer equipment that records and displays operational information about the pipeline system. Critical functions, such as pressure, flow rates, and valve positions, allow controllers to make informed decisions about what actions to take. These monitoring and control actions are vital to managing pipeline operations along hundreds, and frequently thousands of miles of pipeline.

This rule will accelerate pipeline operator requirements by as many as 16 months. These requirements will establish shift lengths and maximum hours-of-service and develop training programs for control room operators.

"We pushed to accelerate these improvements because control rooms have an impact on how well and how quickly an operator responds to leaks or other problems," said PHMSA Administrator Cynthia Quarterman. "This rule will increase the safety of pipeline operators' control rooms and help ensure employees have the training they need."

Today's action is also a part of the Department's National Pipeline Safety Action Plan to address immediate concerns in pipeline safety, such as ensuring pipeline operators know the age and condition of their pipelines, proposing new regulations to strengthen reporting and inspection requirements, and making information about pipelines and the safety record of pipeline operators easily accessible to the public.



Control room operations monitor hazardous liquid and natural gas pipelines through computer equipment that records and displays operational information.

Inside this issue:

USDOT Takes Steps to Improve Pipeline Control Room Management 1

With "Teens and Trucks," the Roadmap this Summer is on Safety

BP Exploration Alaska to Pay \$25 Million Penalty for Alaskan North Slope Oil Spill

FAA to Impose Civil Penalties for Pointing Lasers into Cockpits

More Ships at US Ports - Vessel Calls Up by 13 Percent in 2010

Brigham McCown Bio 4

With "Teens and Trucks," the Roadmap this Summer is on Safety

BETHESDA, MD - Teenagers from the National Capital region today pledged to make this summer safer for all drivers by giving large trucks plenty of room, avoiding their blind spots and signing a "No Texting Promise" during a truck safety demonstration organized by national safety officials and families of distracted driving crash victims.

Standing beside a 53-foot long tractor trailer in front of Walt Whitman High School, officials representing the U.S. Department of Transportation's Federal

Motor Carrier Safety Administration (FMCSA), the National Organizations for Youth Safety (NOYS) and the Commercial Vehicle Safety Alliance (CVSA) spoke to students from Maryland and the District of Columbia about the critical importance of driving safely around big trucks. A fully loaded tractor trailer requires roughly twice the distance to stop that a passenger vehicle requires. In addition, tractor trailers have sizeable blind spots, otherwise known as "No Zones," areas that motorist must avoid.

"We want everyone to be safe, but as newer drivers, teens must adhere to a few simple rules," said Anne Ferro, Administrator of the Federal Motor Carrier Safety Administration. "They are: buckle up, don't drink and drive; don't speed, don't text or use your phone, and steer clear of a truck's blind spots."

The latest data from U.S. Department of Transportation's

Continued on page 4 . . .

Page 2 Client Alert

Six years after the North Slope oil spill, which arose from BP's failure to maintain its pipelines, BP was assessed with a \$25 million civil penalty.

BP Exploration Alaska to Pay \$25 Million Penalty for Alaskan North Slope Oil Spill

WASHINGTON - BP Exploration Alaska, Inc. (BP Alaska) will pay a \$25 million civil penalty and carry out a system-wide pipeline integrity management program as part of a settlement for spilling more than 5,000 barrels of crude oil from the company's pipelines on the North Slope of Alaska in 2006, the U.S. Department of Justice, the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) announced today. The penalty is the largest per-barrel penalty to date for an oil spill.

"This penalty should serve as a wake-up call to all pipeline operators that they will be held accountable for the safety of their operations and their compliance with the Clean Water Act, the Clean Air Act and the pipeline safety laws," said Ignacia S. Moreno, Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice. "Companies like BP Alaska must understand that they can no longer afford to ignore, neglect or postpone the proper monitoring and maintenance of their pipelines. This agreement will help prevent future environmental disasters and protect the fragile ecosystem of Alaska's North Slope."

"This penalty is a stern reminder to pipeline operators to follow orders issued by PHMSA or risk a federal civil lawsuit and steep fines," said PHMSA Administrator Cynthia L. Quarterman. "Also, it is a warning that operators must know, test and maintain their pipelines or risk harming people and the environment and having to spend, as in this instance, hundreds of millions of dollars replacing those pipelines."

"Today's settlement with BP

Alaska imposes a tough penalty and requires the company to take action to prevent future pipeline oil spills on the Alaska North Slope," said Cynthia Giles, Assistant Administrator for EPA's Office of Enforcement and Compliance Assurance. "The Clean Water Act gives the U.S. authority to assess higher penalties when oil spills are the result of gross negligence, and this case sends a message that we intend to use that authority and to insist that BP Alaska and other companies act responsibly to prevent pipeline oil spills."

"BP Alaska admits that it cut corners and failed to do what was required to adequately maintain its pipelines," said Karen Loeffler, U.S. Attorney for the District of Alaska. "The penalty reflects the seriousness of the conduct. The consent decree is important to ensure that BP Alaska implements changes that will prevent spills like this in the future. The Department of Justice and the United States Attorney's office for the District of Alaska are committed to strong enforcement of our environmental laws."

In March 2006, BP Alaska spilled approximately 5,054 barrels of crude oil on the North Slope in Alaska. A second spill occurred in August 2006, spilling approximately 24 barrels of crude oil. Investigators from EPA and PHMSA determined that the spills were a result of BP Alaska's failure to properly inspect and maintain the pipeline to prevent corrosion. PHMSA issued a Corrective Action Order (CAO) to BP Alaska that addressed the pipeline's risks and ordered pipeline repair or replacement. When BP Alaska did not fully comply with the terms of the corrective action, PHMSA referred the case to the Department of Justice. Today's settlement also addresses Clean Air Act violations arising out of BP Alaska's improper asbestos removal along the pipeline in the

aftermath of the spill.

Today's settlement requires BP Alaska to develop a system-wide program to manage pipeline integrity for the company's 1600 miles of pipeline on the North Slope based on PHMSA's integrity management program. The program will address corrosion and other threats to these oil pipelines and require regular inspections and adherence to a riskbased assessment system. The program will cost an estimated \$60 million over three years and is in addition to the approximately \$200 million BP Alaska has already spent replacing the lines that leaked on the North Slope.

Of the \$25 million penalty, \$20.05 million will be deposited in the Oil Spill Liability Trust Fund established under the Clean Water Act. The remainder, \$4.95 million, will be paid to the U.S. Treasury. The funds paid to the Oil Spill Liability Trust Fund will be used to finance federal response activities and provide compensation for damages sustained from future discharges or threatened discharges of oil into water or adjoining shorelines. Oil spills are known to cause both immediate and long-term harm to human health and ecosystems, including the suffocation of wildlife and the contamination of nesting habitats.

In 2007, BP Alaska pleaded guilty to one misdemeanor violation of the Clean Water Act for the March 2006 spill and was sentenced to three years probation, ordered to pay a \$20 million criminal penalty, including a \$12 million fine, \$4 million to the National Fish and Wildlife Foundation to support research and activities on the North Slope and pay \$4 million in restitution to the state of Alaska.



In 2007, BP pled guilty to one misdemeanor violation of the Clean Water Act and was sentenced to three years probation and assessed a \$20 million civil penalty.

"This penalty is a stern reminder to pipeline operators to follow orders issued by PHMSA or risk a federal civil lawsuit and steep fines,"

FAA to Impose Civil Penalties for Pointing Lasers into **Cockpits**

WASHINGTON - Secretary of Transportation Ray LaHood and Federal Aviation Administration (FAA) Administrator Randy Babbitt announced today that the FAA will begin to impose civil penalties against people who point a laser into the cockpit of an aircraft.

"Our top priority is protecting the safety of the traveling public. We will not hesitate to take tough action against anyone who threatens the safety of our passengers, pilots and air transportation system," Secretary LaHood.

"Shining a laser into the cockpit of an aircraft is not a joke. These lasers can temporarily blind a pilot and make it impossible to safely land the aircraft, jeopardizing the safety of the passengers and people on the ground," said FAA Administrator Babbitt.

The FAA released a legal interpretation, which finds that directing a laser beam into an aircraft cockpit could interfere with a flight crew performing its duties while operating an aircraft, a violation of Federal Aviation Regulations. In the past, the FAA has taken enforcement action under this regulation against passengers physically on-board an aircraft who interfere with crewmem-

Today's interpretation reflects the fact that pointing a laser at an aircraft from the ground could seriously impair a pilot's vision and interfere with the flight crew's ability to safely handle its responsibilities.

The maximum civil penalty the FAA can impose on an individual for violating the FAA's regulations that prohibit interfering with a flight crew is \$11,000 per violation.

This year, pilots have reported more than 1,100 incidents nationwide of lasers being pointed at aircraft. Laser event reports have steadily increased since the FAA created a formal reporting system in 2005 to collect information from pilots. Reports rose from nearly 300 in 2005 to 1,527 in 2009 and 2,836 in 2010.

In 2010, Los Angeles International Airport recorded the highest number of laser events in the country for an individual airport with 102 reports, and the greater Los Angeles area tallied nearly twice that number, with 201 reports. Chicago O'Hare International Airport was a close second, with 98 reports, and Phoenix Sky Harbor International Airport and Norman Y. Mineta San Jose International Airport tied for the third highest number of laser events for the year with 80 each.

So far this year, the Phoenix and Dallas-Fort Worth areas each have recorded more than 45 laser events. The Los Angeles, Philadelphia and Houston areas each have recorded more than 30 laser events.

The increase in reports is likely due to a number of factors, including greater awareness and outreach to pilots to encourage There have been over 1,100 reported reporting; the availability of inexpensive laser devices on the Internet; stronger power levels that enable lasers to hit aircraft at higher altitudes; and the introduction of green lasers, which are more easily seen than red lasers.

Some cities and states have laws making it illegal to shine lasers at aircraft and, in many cases, people can face federal charges. The FAA is prepared to work with federal, state, and local law enforcement agencies to assist with criminal prosecutions arising under those laws.

Legislation that would criminalize purposefully aiming a laser device at an aircraft is currently pending in Congress. The Senate included this language in the FAA Air Transportation Modernization and Safety Improvement Act, which it passed on Feb. 17, 2011. On Feb. 28, the House of Representatives passed legislation that would enact a similar penalty for shining lasers at aircraft. Both bills are awaiting further action.



incidents of lasers being pointed at aircraft nationwide during 2011.

"Shining a laser into the cockpit of an aircraft is not a joke. These lasers can temporarily blind a pilot and make it impossible to safely land the aircraft, jeopardizing the safety of the passengers and people on the ground"

More Ships at U.S. Ports - Vessel Calls Up by 13 Percent in 2010

A report released today from the U.S. Maritime Administration shows more ships are stopping at U.S. ports. The stops, or vessel calls, rebounded by 13 percent in 2010, after an eight percent decline in 2009. Oceangoing vessel calls reflect waterborne trade between the United States and countries around the world, and are a measure of import, export and domestic ocean shipments.

"Although challenges remain, this encouraging rebound in oceangoing vessels is a sign that President Obama's economic policies are working," said U.S. Transportation Secretary LaHood. "We're committed to supporting policies that will build on this momentum so that the maritime industry will continue to grow and create American jobs."

The 2010 Vessel Calls Snapshot report contains data on calls by oceangoing vessels at U.S. ports. In 2010, 7,579 oceangoing vessels made 62,747 calls at U.S. ports. Of the 2010 calls,

- 35 percent were by tankers carrying oil and gas used to power our cars and heat our
- 31 percent were by containerships carrying general export and import cargo for markets around the U.S. and the world,
- 17 percent were by dry bulk vessels carrying iron, coal and grain for export,
- 9 percent were by roll-on rolloff vessels carrying vehicles for import and export, and
- 6 percent were by general cargo ships.



As the economy recovers, maritime can play a key role in providing affordable, efficient and environmentally sustainable transportation of goods, both nationally and internationally.

Page 4 Client Alert

With "Teens and Trucks" the Roadmap this Summer is on Safety, cont.

Fatality Analysis Reporting System show that the deadliest days of the year for teens ages 15-19 are in the months of May, June, July and August. During these four months, nearly twice as many teens died on the roads each day as compared to the rest of the year – for an average of nearly 16 deaths per day (15.9) – compared to an average of nearly nine deaths (8.8) per day during the year as a whole.

Individuals in the 16 to 24 age group have the highest traffic crash death rate in the country. Between 2005 and 2009 (the most recent year for which data are available), nearly 4,000 people from this age group were killed in crashes involving large trucks.

"Prom, graduation, and summer are fantastic times for youth to celebrate and enjoy. However, with these fun times come unfortunate tragedies," said Sandy Spavone, President of the National Organizations for Youth Safety (NOYS). "Through education, enforcement, and legislation lives can be saved and injuries prevented."

"Do not expect that having a driver's li-

cense is a right that comes without responsibility or risk," said Steve Keppler, Executive Director of the Commercial Vehicle Safety Alliance (CVSA). "Be accountable for your actions, spread the word to your friends and parents, and help create a culture of safety. Most importantly, take the driving task seriously. You never know the impact you can have that ultimately could save your life or someone else's."

During the presentation, the students also heard stories of personal tragedies from distracted driving crash victims.

On the day of her graduation from Muhlenberg College in May 2008, Jacy Good of White Plains, New York, was involved in a crash on a Berks County, Pennsylvania, road that was caused by an 18-year-old driver who was on his cell phone and failed to observe a red light. Good was severely injured in the crash; both of her parents, Jean and Jay Good, were killed.

Laurie Kelly of Takoma Park, Maryland, spoke of her 23-year-old son, Dan Woldtvedt, who died on his way to his first job after college. He was using his cell phone at the time of the crash that occurred

in Colorado.

Following the presentation by the speakers, students were given a demonstration of the tractor-trailer's "No Zones" by a member of the Maryland State Police. Students also signed a "No Texting Promise" poster.

The "Teens and Trucks" educational tool kit, including radio and television public service spots, is available for downloading free of charge at www.cvsa.org/programs/teens_an d_trucks_toolkit.aspx or at www.fmcsa.dot.gov



Data collected by the DOT shows that nearly twice as many teens die on the roads each day during the months of May through August as compared to the rest of the year.



Brigham A. McCown

Post Office Drawer 92236 Southlake, Texas 76092 Main: 214-668-6640

http://www.uta-network.com

United Transportation Advisors provides a single point of access for companies and individuals seeking professional guidance and advice on transportation issues.

If you no longer wish to receive this monthly publication, please email news@uta-network.com and indicate your preferences.

With more than 20 years of public and private and public sector experience, Brigham represents commercial litigation and regulatory clients with matters relating to energy, transportation, manufacturing, construction, homeland security and the environment and also serves as an expert witness on transportation matters.

Until 2007, Brigham served in several executive leadership roles at the United States Department of Transportation Headquarters in Washington, DC where he helped shaped the Nation's surface, maritime and aviation laws, regulations and policies.

Brigham has been a partner at a major U.S. law firm where he gained extensive litigation expertise defending clients throughout all phases of administrative, trial and appellate proceedings. He is a frequent CLE lecturer and published expert and has also served on active duty as a United States Navy Officer and Naval Aviator.

© 2011 United Transportation Advisors, LLC. No claim to original U.S. Government Works. Attorney advertising materials. These materials have been prepared for informational purposes only and are not legal advice. This information is not intended to create a business relationship. Please do not send us confidential information.