



# **BUDGET ESTIMATES FISCAL YEAR 2027**

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## **PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

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SUBMITTED FOR THE USE OF  
THE COMMITTEE ON APPROPRIATIONS

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
FY 2027 BUDGET REQUEST  
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# **I: Overview**

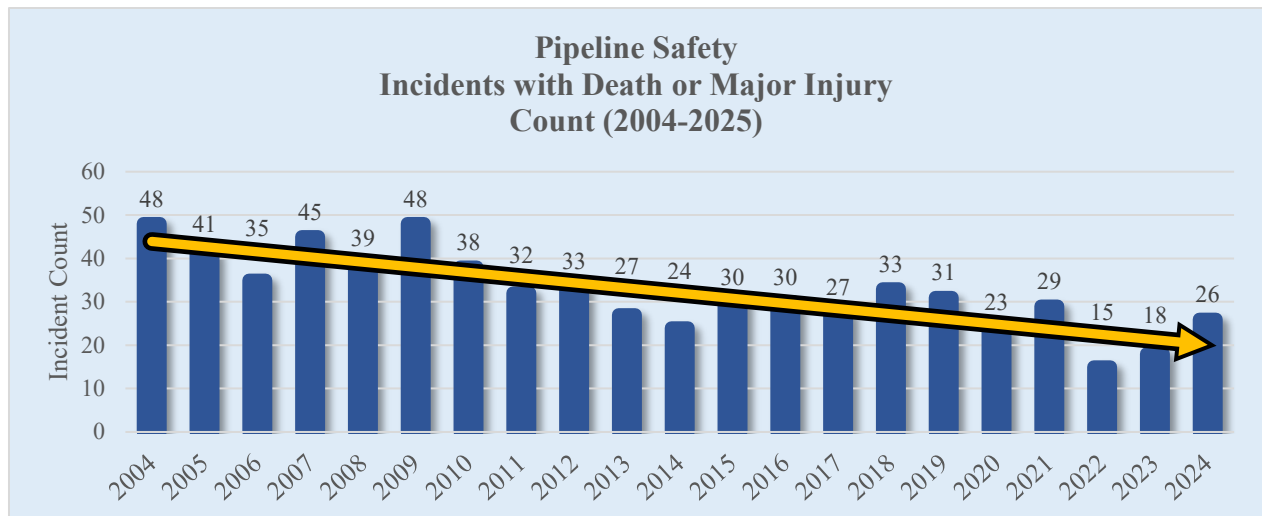
**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
FY 2027 ADMINISTRATOR'S OVERVIEW**

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is requesting \$349.8 million for Fiscal Year (FY) 2027 to advance the safe transportation of energy products and other goods—many of which contain hazardous materials—that support daily life and commerce. PHMSA remains committed to enabling the safe movement of products, supporting American energy, and conducting research that drives safety and innovation.

In FY 2027, PHMSA will promote safety and support economic activity through the following initiatives:

- **Modernizing Safety Standards:** Updating or removing regulations that offer limited safety benefit and place unnecessary burdens on businesses.
- **Advancing Liquefied Natural Gas (LNG) Safety:** Operating the National Center of Excellence for LNG Safety, developing practical safety solutions, and fostering collaboration among LNG operators and stakeholders.
- **Enhancing Oversight:** Conducting smarter, risk-based inspections and applying enforcement actions fairly, transparently, and in context with the operating environment.
- **Focus on safety while saving on support costs:** Maintain inspection and safety staff and investments, realizing \$15 million in savings by consolidating certain offices, and repurposing savings to investment in Research and Development and safety technology.

This FY 2027 request is data-driven and closely aligned with measurable safety outcomes. PHMSA uses rigorous performance tracking systems to monitor pipeline and hazardous materials transportation incidents. For pipeline safety, the agency collects detailed incident reports—including location and cause—from all operators and maintains the National Pipeline Mapping System to show infrastructure locations. PHMSA continues to promote the adoption of Safety Management Systems among pipeline operators to better assess, manage, and mitigate risks associated with complex operations. The results fully support PHMSA's approach to safety, with steadily declining pipeline accidents and incidents over time as shown below:



For hazardous materials safety, PHMSA gathers incident reports for all significant accidents, detailing the type, cause, and location. PHMSA's accident investigation teams conduct root cause analyses on major pipeline and hazardous materials accidents, using the findings to refine safety standards, rules, and regulations. The following is a summary of PHMSA's request:

**\$218.2 million for Pipeline Safety**, including funding for inspection and enforcement staff, as well as other critical safety professionals. Other important Pipeline Safety investments include:

- \$114.1 million for pipeline safety operations including advancing the safe design and operation of pipelines that move America's energy to market. This includes developing sensible safety standards and completing safety checks of pipeline operations.
- \$89.6 million for grant programs that will fund important state pipeline inspections and damage prevention work. PHMSA provides grants to states to support inspection and enforcement activities for the nation's vast network of intrastate pipelines, including pipelines that operate in cities and neighborhoods. This includes the State Pipeline Safety Grants (\$82.0 million), Underground Natural Gas Storage Grants (\$5.0 million), and State Damage Prevention Grants (\$2.6 million).
- \$14.5 million for research, including the development of the Liquefied Natural Gas Center of Excellence; improving safety of underground natural gas storage facilities; detection of pipeline anomalies and leaks; and tools for pipeline threat prevention. Pipeline safety research will also focus on incidents caused by corrosion, material failure, and equipment failure, which cause 61 percent of all pipeline incidents.

**\$101.6 million for Hazardous Materials Safety**, including regional inspectors and outreach staff and safety professionals. Important Hazardous Materials Safety investments include:

- \$66.0 million for hazardous materials safety operations, including costs for regional inspector travel and cybersecurity investments to protect access to secure data.
- \$27.9 million for grants to first responders and local governments in areas with hazardous materials routes near homes and businesses. These grants support training of first responders, train-the-trainer programs, and safety training for incident response. This funding supports the training of more than 80,000 emergency responders annually.
- \$7.6 million for research, including work with the U.S. Census Bureau to identify changes in hazardous materials commodity flow volumes and patterns, as well as research to support innovation in packaging and enhanced shipping methods.

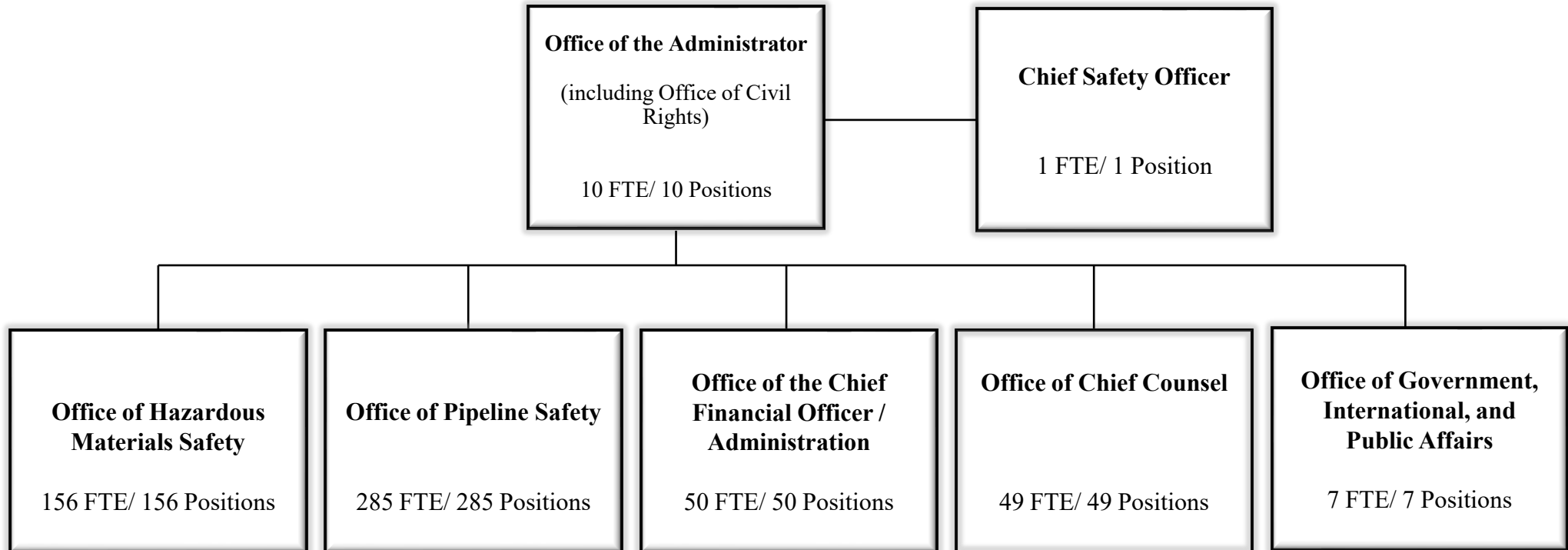
**\$30.1 million for Operational Expenses**, to support a safety management organization that promotes safe deliveries of energy and hazardous materials by all modes of transportation, including pipeline. Important investments include:

- \$2.5 million for Pipeline Emergency Response Grants and \$2.0 million for Information Grants to Communities. These grants help local governments in high consequence areas with pipeline facilities to prepare for and respond to hazardous materials incidents.

# Exhibit I-A Organizational Chart

## FY 2026

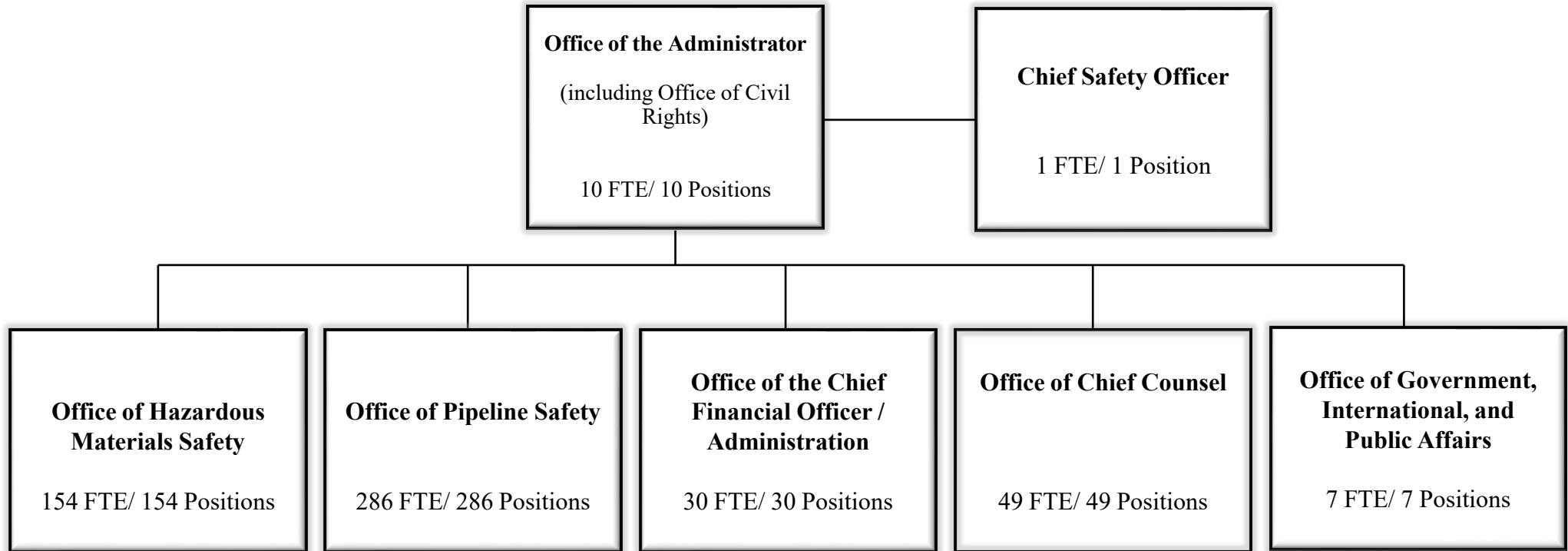
Total PHMSA  
558 FTE/ 558 Positions



# Exhibit I-B Organizational Chart

**FY 2027**

Total PHMSA  
537 FTE/ 537 Positions



## **II: Budget Summary Tables**

**EXHIBIT II-1**  
**FY 2027 BUDGET AUTHORITY**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
(\$000)

ACCOUNT NAME	M / D	(A)	(B)	(D)	(E)	(F)
		FY 2025 ACTUAL	FY 2026 ENACTED	FY 2027 BASELINE ESTIMATES	FY 2027 PROGRAM CHANGES	FY 2027 PRES. BUD. (D+E)
<b>PIPELINE SAFETY</b>		\$ 218,186	\$ 214,807	\$ 214,807	\$ 3,379	\$ 218,186
Pipeline Safety Fund		\$ 180,786	\$ 177,407	\$ 177,407	\$ 3,379	\$ 180,786
Underground Natural Gas Storage Fund		\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 7,000
Liquefied Natural Gas Siting Fund		\$ 400	\$ 200	\$ 200	\$ -	\$ 200
Design Review Fund		\$ -	\$ 200	\$ 200	\$ -	\$ 200
Oil Spill Liability Trust Fund		\$ 30,000	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Rescissions						
Transfers						
Offsets		\$ (187,786)	\$ (184,407)	\$ (184,407)	\$ (3,379)	\$ (187,786)
<b>HAZARDOUS MATERIALS SAFETY</b>		\$ 74,556	\$ 66,050	\$ 66,050	\$ 8,506	\$ 74,556
General Fund		\$ 74,556	\$ 66,050	\$ 66,050	\$ 8,506	\$ 74,556
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>EMERGENCY PREPAREDNESS GRANTS</b>		\$ 27,157	\$ 27,000	\$ 27,000	\$ -	\$ 27,000
Emergency Preparedness Fund (Mandatory)		\$ 28,799	\$ 28,632	\$ 28,632	\$ -	\$ 28,632
Sequestration 1/		\$ (1,642)	\$ (1,632)	\$ (1,632)	\$ -	\$ (1,632)
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPERATIONAL EXPENSES</b>		\$ 31,681	\$ 28,647	\$ 28,647	\$ 1,450	\$ 30,097
General Fund		\$ 31,681	\$ 28,647	\$ 28,647	\$ 1,450	\$ 30,097
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Gross New Budget Authority</b>		\$ 351,580	\$ 336,504	\$ 336,504	\$ 13,335	\$ 349,839
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ (187,786)	\$ (184,407)	\$ (184,407)	\$ (3,379)	\$ (187,786)
<b>NET NEW BUDGET AUTHORITY REQUESTED:</b>		<u>\$ 163,794</u>	<u>\$ 152,097</u>	<u>\$ 152,097</u>	<u>\$ 9,956</u>	<u>\$ 162,053</u>
[Mandatory BA]		\$ 27,157	\$ 27,000	\$ 27,000	\$ -	\$ 27,000
[Discretionary BA]		\$ 324,423	\$ 309,504	\$ 309,504	\$ 13,335	\$ 322,839
<b>HJA Supplemental (Division J)</b>		<u>\$ 200,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (100,000)</u>	<u>\$ -</u>
Natural Gas Distribution Infrastructure Safety and Modernization		\$ 200,000	\$ 200,000	\$ 200,000		\$ -
Funding repurposed and transferred			\$ (100,000)	\$ (100,000)		\$ -
<b>Grand Total, All Appropriations</b>		<u>\$ 363,794</u>	<u>\$ 252,097</u>	<u>\$ 252,097</u>	<u>\$ (90,044)</u>	<u>\$ 162,053</u>

1/ FY 2025 reflects sequestration of 5.7 percent of mandatory budget authority per Sequestration Order dated March 11, 2024. FY 2026 reflects sequestration of 5.7 percent of mandatory budget authority pursuant to 2 U.S.C. 901a(6)(B)(ii). FY 2027 assumes 5.7 percent sequestration.

**EXHIBIT II-2**  
**FY 2027 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

ACCOUNT NAME	M / D	(A) FY 2025 ACTUAL	(B) FY 2026 ENACTED	(D) FY 2027 BASELINE ESTIMATES	(E) FY 2027 PROGRAM CHANGES	(F) FY 2027 PRES. BUD. (D+E)
<b>PIPELINE SAFETY</b>		\$ 218,186	\$ 214,807	\$ 214,807	\$ 3,379	\$ 218,186
Pipeline Safety Fund		\$ 180,786	\$ 177,407	\$ 177,407	\$ 3,379	\$ 180,786
Underground Natural Gas Storage Fund		\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 7,000
Liquefied Natural Gas Siting Fund		\$ 400	\$ 200	\$ 200	\$ -	\$ 200
Design Review Fund		\$ -	\$ 200	\$ 200	\$ -	\$ 200
Oil Spill Liability Trust Fund		\$ 30,000	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ (187,786)	\$ (184,407)	\$ (184,407)	\$ (3,379)	\$ (187,786)
<b>HAZARDOUS MATERIALS SAFETY</b>		\$ 74,556	\$ 66,050	\$ 66,050	\$ 8,506	\$ 74,556
General Fund		\$ 74,556	\$ 66,050	\$ 66,050	\$ 8,506	\$ 74,556
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>EMERGENCY PREPAREDNESS GRANTS 1/</b>		\$ 46,825	\$ 46,825	\$ -	\$ -	\$ -
Emergency Preparedness Fund (Obligation Limitation)		\$ 46,825	\$ 46,825	N/A	N/A	N/A
Sequestration		\$ -	\$ -	\$ -	\$ -	\$ -
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPERATIONAL EXPENSES</b>		\$ 31,681	\$ 28,647	\$ 28,647	\$ 1,450	\$ 30,097
General Fund		\$ 31,681	\$ 28,647	\$ 28,647	\$ 1,450	\$ 30,097
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Gross New Budgetary Resources</b>		\$ 371,248	\$ 356,329	\$ 309,504	\$ 13,335	\$ 322,839
<b>Rescissions</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transfers</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Offsets</b>		\$ (187,786)	\$ (184,407)	\$ (184,407)	\$ (3,379)	\$ (187,786)
<b>TOTAL BUDGETARY RESOURCES:</b>		<u>\$ 371,248</u>	<u>\$ 356,329</u>	<u>\$ 309,504</u>	<u>\$ 13,335</u>	<u>\$ 322,839</u>
[Mandatory]		\$ 46,825	\$ 46,825	\$ -	\$ -	\$ -
[Discretionary]		\$ 324,423	\$ 309,504	\$ 309,504	\$ 13,335	\$ 322,839
[Obligation Limitation]		\$ 46,825	\$ 46,825	\$ 46,825	\$ (46,825)	\$ -
<b>IIJA Supplemental (Division J)</b>		<u>\$ 200,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (100,000)</u>	<u>\$ -</u>
Natural Gas Distribution Infrastructure Safety and Modernization		\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ -
Funding repurposed and transferred		\$ -	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ -
<b>Grand Total, All Appropriations</b>		<u>\$ 571,248</u>	<u>\$ 456,329</u>	<u>\$ 409,504</u>	<u>\$ (86,665)</u>	<u>\$ 322,839</u>

1/ FY 2027 requested does not include an obligation limitation for the Emergency Preparedness Grants Fund.

**EXHIBIT II-4**  
**FY 2027 OUTLAYS**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**(\$000)**

		(A)	(B)	(C)
	M / D	FY 2025 ACTUAL	FY 2026 ENACTED	FY 2027 PRES. BUD.
<b>PIPELINE SAFETY</b>		\$ 198,424	\$ 186,644	\$ 194,050
Pipeline Safety Fund	<i>D</i>	\$ 166,822	\$ 159,602	\$ 160,231
Underground Natural Gas Storage Fund	<i>D</i>	5,355	5,082	5,271
Liquefied Natural Gas Siting Fund	<i>D</i>	-	-	-
Oil Spill Liability Trust Fund	<i>D</i>	26,247	21,960	28,549
<b>HAZARDOUS MATERIALS SAFETY</b>	<i>D</i>	\$ 73,202	\$ 71,326	\$ 74,389
<b>EMERGENCY PREPAREDNESS GRANTS</b>		\$ 30,063	\$ 53,317	\$ 31,833
Mandatory	<i>M</i>	\$ 30,063	\$ 53,317	\$ 31,833
Discretionary	<i>D</i>			
<b>OPERATIONAL EXPENSES</b>	<i>D</i>	\$ 33,163	\$ 30,805	\$ 30,821
<b>TOTAL:</b>		<u>\$ 334,852</u>	<u>\$ 342,092</u>	<u>\$ 331,093</u>
Mandatory		\$ 30,063	\$ 53,317	\$ 31,833
Discretionary		304,789	288,775	299,260
IIIJA Supplemental (Division J)		\$ 35,366	\$ 80,995	\$ 100,293
<b>Natural Gas Distribution Infrastructure Safety and Modernization</b>	<i>D</i>	35,366	80,995	\$100,293
<b>Grand Total, Outlays from all Appropriations</b>		<u>\$ 370,218</u>	<u>\$ 423,087</u>	<u>\$ 431,386</u>

**EXHIBIT II-5**  
**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE**  
**Pipeline and Hazardous Materials Safety Administration**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

PHMSA Summary	Baseline Changes										FY 2027 Baseline Estimate	Program Increases/ Decreases	FY 2027 President's Budget
	FY 2025 Actual	FY 2026 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2026 FTE	FY 2027 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
<b>PERSONNEL RESOURCES (FTE)</b>	<b>642.0</b>	<b>550.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>551.0</b>	<b>-22.0</b>	<b>529.0</b>
Direct FTE	642.0	550.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	551.0	-22.0	529.0
<b><u>FINANCIAL RESOURCES</u></b>													
<b><u>Operations</u></b>													
Salaries and Benefits	\$121,805	\$108,790	\$0	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$108,990	(\$4,440)	\$104,550
Travel	5,260	6,300	0	0	0	0	0	0	0	0	6,300	0	6,300
GSA Rent	4,724	4,472	0	0	0	0	0	0	0	0	4,472	0	4,472
Communications, & Utilities	604	583	0	0	0	0	0	0	0	0	583	0	583
Other Services:													
-Other	13,937	20,537	0	0	0	0	0	0	(74)	20,463	(2,686)	17,777	
-WCF	22,739	22,590	0	0	0	0	0	0	0	22,590	31,034	53,624	
Supplies	535	522	0	0	0	0	0	0	0	522	0	522	
Equipment	912	894	0	0	0	0	0	0	0	894	0	894	
<b>Operations Subtotal</b>	<b>\$170,516</b>	<b>\$164,688</b>	<b>\$0</b>	<b>\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$74)</b>	<b>\$164,814</b>	<b>\$23,908</b>	<b>\$188,722</b>	
<b><u>PROGRAMS</u></b>													
<b><u>Contract Safety Programs</u></b>													
Pipeline Safety	\$25,528	\$18,727	\$0	\$0	\$0	\$0	\$0	\$0	(\$126)	\$18,601	(\$9,531)	\$9,070	
Hazardous Materials Safety	8,551	7,478	0	0	0	0	0	0	0	7,478	(644)	6,834	
Operational Expenses	4,777	4,561	0	0	0	0	0	0	0	4,561	(3,398)	1,163	
<b>Contract Safety Programs Subtotal</b>	<b>\$38,856</b>	<b>\$30,766</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$126)</b>	<b>\$30,640</b>	<b>(\$13,573)</b>	<b>\$17,067</b>	
<b><u>Research and Development</u></b>													
Pipeline Safety	\$12,500	\$12,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	\$2,000	\$14,500	
Hazardous Materials Safety	7,570	5,570	0	0	0	0	0	0	0	5,570	2,000	7,570	
<b>Research and Development Subtotal</b>	<b>\$20,070</b>	<b>\$18,070</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,070</b>	<b>\$4,000</b>	<b>\$22,070</b>	
<b><u>Grants</u></b>													
Pipeline Safety	\$89,558	\$89,558	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,558	\$0	\$89,558	
Hazardous Materials Safety	2,000	3,000	0	0	0	0	0	0	0	3,000	(1,000)	2,000	
Emergency Preparedness Grants	26,079	25,922	0	0	0	0	0	0	0	25,922	0	25,922	
Operational Expenses	4,500	4,500	0	0	0	0	0	0	0	4,500	0	4,500	
<b>Grants Subtotal</b>	<b>\$122,137</b>	<b>\$122,980</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$122,980</b>	<b>(\$1,000)</b>	<b>\$121,980</b>	
<b>Programs Subtotal</b>	<b>\$181,063</b>	<b>\$171,816</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$126)</b>	<b>\$171,690</b>	<b>(\$10,573)</b>	<b>\$161,117</b>	
<b>BASE PROGRAMS TOTAL</b>	<b>\$351,580</b>	<b>\$336,504</b>	<b>\$0</b>	<b>\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$200)</b>	<b>\$336,504</b>	<b>\$13,335</b>	<b>\$349,839</b>	

**EXHIBIT II-5**  
**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE**  
**Pipeline and Hazardous Materials Safety Administration**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

Pipeline Safety Account	Baseline Changes										FY 2027 Baseline Estimate	Program Increases/ Decreases	FY 2027 President's Budget
	FY 2025 Actual	FY 2026 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2026 FTE	FY 2027 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
<b>PERSONNEL RESOURCES (FTE)</b>	<b>352.0</b>	<b>319.0</b>		<b>1.0</b>						-	<b>320.0</b>	<b>0.0</b>	<b>320.0</b>
Direct FTE	352.0	319.0		1.0							320.0	0.0	320.0
<b><u>FINANCIAL RESOURCES</u></b>													
<b><u>Operations</u></b>													
Salaries and Benefits	\$66,583	\$63,800		\$200							\$64,000		\$64,000
Travel	3,600	4,508									4,508		\$4,508
GSA Rent	3,087	3,024									3,024		\$3,024
Communications, & Utilities	278	278									278		\$278
Other Services:													
-Other	3,262	10,096								(74)	10,022	(1,926)	8,096
-WCF	12,769	11,295									11,295	12,836	24,131
Supplies	309	309									309		309
Equipment	712	712									712		712
<b>Operations Subtotal</b>	<b>\$90,600</b>	<b>\$94,022</b>	<b>\$0</b>	<b>\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$74)</b>	<b>\$94,148</b>	<b>\$10,910</b>	<b>\$105,058</b>
<b><u>PROGRAMS</u></b>													
<b><u>Contract Safety Programs</u></b>													
Liquefied Natural Gas Siting Reviews and Design Reviews	\$400	\$400									\$400		\$400
Compliance/Pipeline Integrity Management/Inspection Support	9,838	7,175								(52)	7,123	(3,727)	3,396
Training, Information & Community Assistance	8,050	5,871								(43)	5,828	(1,557)	4,271
National Pipeline and Other Mapping Systems	5,865	4,278								(31)	4,247	(4,247)	0
Implementing the Oil Pollution Act	1,375	1,003									1,003		1,003
<b>Contract Safety Programs Subtotal</b>	<b>\$25,528</b>	<b>\$18,727</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$126)</b>	<b>\$18,601</b>	<b>(\$9,531)</b>	<b>\$9,070</b>
<b><u>Research &amp; Development</u></b>													
General Research	\$12,500	\$12,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	\$2,000	\$14,500
<b>Research &amp; Development Subtotal</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,500</b>	<b>\$2,000</b>	<b>\$14,500</b>
<b><u>Grants</u></b>													
State Pipeline Safety Grants	\$82,000	\$82,000									\$82,000		\$82,000
Underground Natural Gas Storage Grants	5,000	5,000									5,000		5,000
State One-call Grants	1,058	1,058									1,058	(1,058)	0
State Damage Prevention Grants	1,500	1,500									1,500	1,058	2,558
<b>Grants Subtotal</b>	<b>\$89,558</b>	<b>\$89,558</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$89,558</b>	<b>\$0</b>	<b>\$89,558</b>
<b>Programs Subtotal</b>	<b>\$127,586</b>	<b>\$120,785</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$126)</b>	<b>\$120,659</b>	<b>(\$7,531)</b>	<b>\$113,128</b>
<b>BASE PROGRAMS TOTAL</b>	<b>\$218,186</b>	<b>\$214,807</b>	<b>\$0</b>	<b>\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$200)</b>	<b>\$214,807</b>	<b>\$3,379</b>	<b>\$218,186</b>

**EXHIBIT II-5a**  
**SUMMARY OF IIJA SUPPLEMENTAL (DIVISION J) BUDGET OBLIGATIONS OVER FISCAL YEARS**  
**Pipeline and Hazardous Materials Safety Administration**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

Account Name	FY 2025	FY 2026	FY 2027
<b>Unobligated Carryforward Balance, start of FY (+)</b>	\$395,205	\$6,113	\$6,113
<b>FY Advance Appropriations (Budget Authority) (+)</b>	200,000	200,000	0
<b>FY Funding repurposed and transferred</b>	0	(100,000)	0
<b>FY Planned Obligations (-)</b>	(589,092)	(100,000)	(1,555)
<b>Unobligated Balance, end of FY (+)</b>	\$6,113	\$6,113	\$4,558
<b>Planned Obligations by Fiscal Year</b>	\$589,092	\$100,000	\$1,555
<b>PERSONNEL RESOURCES (FTE)</b>			
Direct FTE	8.0	8.0	8.0
<b><u>FINANCIAL RESOURCES</u></b>			
<b>Operations</b>			
Salaries and Benefits	\$1,222	\$1,261	\$1,261
Travel	98	102	102
Communications, & Utilities			
Printing			
Other Services:			
-Other	112	116	116
-WCF			
Supplies			
Equipment	73	76	76
<b>Operations</b>	<b>\$1,505</b>	<b>\$1,555</b>	<b>\$1,555</b>
<b><u>PROGRAMS</u></b>			
<b><u>Safety Programs</u></b>			
Pipeline Infrastructure Modernization - Contract Safety	\$1,500	\$445	\$0
<b><u>Grants</u></b>			
Natural Gas Distribution Infrastructure Safety and Modernization	\$586,087	\$98,000	\$0
<b>Programs Subtotal</b>	<b>\$587,587</b>	<b>\$98,445</b>	<b>\$0</b>
<b>IIJA/IRA TOTAL</b>	<b>\$589,092</b>	<b>\$100,000</b>	<b>\$1,555</b>

**EXHIBIT II-5**  
**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE**  
**Pipeline and Hazardous Materials Safety Administration**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

Hazardous Materials Safety Account	Baseline Changes										FY 2027 Baseline Estimate	Program Increases/ Decreases	FY 2027 President's Budget
	FY 2025 Actual	FY 2026 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2026 FTE	FY 2027 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
<b>PERSONNEL RESOURCES (FTE)</b>	<b>205.0</b>	<b>181.0</b>			-						<b>181.0</b>	<b>(2.0)</b>	<b>179.0</b>
Direct FTE	205.0	181.0									181.0	(2.0)	179.0
<b><u>FINANCIAL RESOURCES</u></b>													
<b>Operations</b>													
Salaries and Benefits	\$39,723	\$34,990									\$34,990	(\$400)	\$34,590
Travel	1,599	1,592									1,592		1,592
GSA Rent	1,637	1,448									1,448		1,448
Communications, & Utilities	180	159									159		159
Other Services:													
-Other	5,573	4,796									4,796	(760)	4,036
-WCF	7,452	6,777									6,777	9,310	16,087
Supplies	112	99									99		99
Equipment	159	141									141		141
<b>Operations Subtotal</b>	<b>\$56,435</b>	<b>\$50,002</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,002</b>	<b>\$8,150</b>	<b>\$58,152</b>
<b><u>PROGRAMS</u></b>													
<b><u>Contract Safety Programs</u></b>													
Hazmat Information and Analysis	\$2,017	\$1,284									\$1,284	(\$284)	\$1,000
Investigation and Enforcement	3,307	3,349									3,349	(149)	3,200
Outreach, Training and Compliance	2,593	2,211									2,211	(211)	2,000
Hazmat Registration Program	634	634									634		634
<b>Contract Safety Programs Subtotal</b>	<b>\$8,551</b>	<b>\$7,478</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,478</b>	<b>(\$644)</b>	<b>\$6,834</b>
<b><u>Research &amp; Development</u></b>	<b>\$7,570</b>	<b>\$5,570</b>									<b>\$5,570</b>	<b>\$2,000</b>	<b>\$7,570</b>
<b>Research &amp; Development Subtotal</b>	<b>\$7,570</b>	<b>\$5,570</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,570</b>	<b>\$2,000</b>	<b>\$7,570</b>
<b><u>Grants</u></b>													
Hazardous Materials State Inspection Grant Program	\$1,000	\$1,000									\$1,000		\$1,000
Community Safety Grants	1,000	1,000									1,000		1,000
Assistance for Local Emergency Response Training Grants		\$1,000									1,000	(1,000)	0
<b>Grants Subtotal</b>	<b>\$2,000</b>	<b>\$3,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,000</b>	<b>(\$1,000)</b>	<b>\$2,000</b>
<b>Programs Subtotal</b>	<b>\$18,121</b>	<b>\$16,048</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,048</b>	<b>\$356</b>	<b>\$16,404</b>
<b>BASE PROGRAMS TOTAL</b>	<b>\$74,556</b>	<b>\$66,050</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$66,050</b>	<b>\$8,506</b>	<b>\$74,556</b>

**EXHIBIT II-5**  
**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE**  
**Pipeline and Hazardous Materials Safety Administration**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

Operational Expenses Account	Baseline Changes										FY 2027 Baseline Estimate	Program Increases/ Decreases	FY 2027 President's Budget
	FY 2025 Actual	FY 2026 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2026 FTE	FY 2027 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
<b>PERSONNEL RESOURCES (FTE)</b>	<b>85.0</b>	<b>50.0</b>									<b>50.0</b>	<b>(20.0)</b>	<b>30.0</b>
Direct FTE	85.0	50.0									50.0	(20.0)	30.0
<b><u>FINANCIAL RESOURCES</u></b>													
<b><u>Operations</u></b>													
Salaries and Benefits	\$15,499	\$10,000									\$10,000	(\$4,040)	\$5,960
Travel	61	200									200		200
GSA Rent	0	0									0		0
Communications, & Utilities	146	146									146		146
Other Services:													
-Other	4,024	4,567									4,567		4,567
-WCF	2,519	4,518									4,518	8,888	13,406
Supplies	114	114									114		114
Equipment	41	41									41		41
<b>Operations Subtotal</b>	<b>\$22,404</b>	<b>\$19,586</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,586</b>	<b>\$4,848</b>	<b>\$24,434</b>
<b><u>PROGRAMS</u></b>													
<b><u>Contract Safety Programs</u></b>													
Data & Analysis	\$4,777	\$4,561									\$4,561	(\$3,398)	\$1,163
<b>Contract Safety Programs Subtotal</b>	<b>\$4,777</b>	<b>\$4,561</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,561</b>	<b>(\$3,398)</b>	<b>\$1,163</b>
<b><u>Grants</u></b>													
Information Grants to Communities	\$2,000	\$2,000									\$2,000		\$2,000
Emergency Response Grants	2,500	2,500									2,500		2,500
<b>Grants Subtotal</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,500</b>	<b>\$0</b>	<b>\$4,500</b>
<b>Programs Subtotal</b>	<b>\$9,277</b>	<b>\$9,061</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,061</b>	<b>(\$3,398)</b>	<b>\$5,663</b>
<b>BASE PROGRAMS TOTAL</b>	<b>\$31,681</b>	<b>\$28,647</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,647</b>	<b>\$1,450</b>	<b>\$30,097</b>

**EXHIBIT II-5**  
**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE**  
**Pipeline and Hazardous Materials Safety Administration**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	Baseline Changes											
Emergency Preparedness Grants Account 1/	FY 2025 Actual	FY 2026 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2026 FTE	FY 2027 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2027 Baseline Estimate	Program Increases/ Decreases	FY 2027 President's Budget
<b>PERSONNEL RESOURCES (FTE)</b>	<b>0.0</b>	<b>0.0</b>								<b>0.0</b>		<b>0.0</b>
Direct FTE	0.0	0.0								0.0		0.0
<b><u>FINANCIAL RESOURCES</u></b>												
<b>Operations</b>												
Other Services:	\$1,078	\$1,078								\$1,078		\$1,078
<b>Operations Subtotal</b>	<b>\$1,078</b>	<b>\$1,078</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,078</b>	<b>\$0</b>	<b>\$1,078</b>
<b><u>PROGRAMS</u></b>												
Hazardous Materials Emergency Preparedness Grants	\$21,349	\$21,192								\$21,192		\$21,192
Hazardous Materials Instructor Training (HMIT) Grants	3,000	3,000								3,000		3,000
Supplemental Public Sector Training Grants	1,000	1,000								1,000		1,000
Technical Assistance	141	141								141		141
Emergency Response Guidebook	589	589								589		589
<b>Programs Subtotal</b>	<b>\$26,079</b>	<b>\$25,922</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,922</b>	<b>\$0</b>	<b>\$25,922</b>
<b>BASE PROGRAMS TOTAL</b>	<b>\$27,157</b>	<b>\$27,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,000</b>	<b>\$0</b>	<b>\$27,000</b>

1/ Amounts are net sequestration of 5.7 percent of mandatory budget authority pursuant to 2 U.S.C. 901a(6)(B)(ii).

**EXHIBIT II-6  
WORKING CAPITAL FUND  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
(\$000)**

	<b>FY 2025 ACTUAL</b>	<b>FY 2026 ENACTED</b>	<b>FY 2027 PRES. BUD.</b>
<b>DIRECT:</b>			
Pipeline Safety All	\$12,769	\$11,295	\$24,131
Hazardous Materials Safety All	7,452	6,777	16,087
Operational Expenses All	2,519	4,518	13,406
<b>Total, All Sources</b>	<b>\$22,739</b>	<b>\$22,590</b>	<b>\$53,624</b>

**EXHIBIT II-7**  
**Pipeline and Hazardous Materials Safety Administration**  
**PERSONNEL RESOURCE -- SUMMARY**  
**TOTAL FULL-TIME EQUIVALENTS**

	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
	<b><u>ACTUAL</u></b>	<b><u>ENACTED</u></b>	<b><u>PRES. BUD.</u></b>
<b><u>DIRECT FUNDED BY APPROPRIATION</u></b>			
Pipeline Safety	352.0	319.0	320.0
Hazardous Materials Safety	205.0	181.0	179.0
Operational Expenses	85.0	50.0	30.0
<b>SUBTOTAL, DIRECT FUNDED</b>	<b><u>642.0</u></b>	<b><u>550.0</u></b>	<b><u>529.0</u></b>
<b>BASE TOTAL FTEs</b>	<b><u>642.0</u></b>	<b><u>550.0</u></b>	<b><u>529.0</u></b>
<b><u>SUPPLEMENTAL FUNDED FTEs</u></b>			
IIJA Supplemental Funding			
Natural Gas Disribution Infrastructure Safety & Modernization	8.0	8.0	8.0
<b>SUBTOTAL, Supplemental Funded</b>	<b><u>8.0</u></b>	<b><u>8.0</u></b>	<b><u>8.0</u></b>
<b>TOTAL FTEs</b>	<b><u>650.0</u></b>	<b><u>558.0</u></b>	<b><u>537.0</u></b>

**EXHIBIT II-8**  
**Pipeline and Hazardous Materials Safety Administration**  
**RESOURCE SUMMARY – STAFFING**  
**FULL-TIME PERMANENT POSITIONS**

	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
	<b><u>ACTUAL</u></b>	<b><u>ENACTED</u></b>	<b><u>PRES. BUD.</u></b>
<b><u>DIRECT FUNDED BY APPROPRIATION</u></b>			
Pipeline Safety	352	320	320
Hazardous Materials Safety	205	181	179
Operational Expenses	85	50	30
<b>SUBTOTAL, DIRECT FUNDED</b>	<b><u>642</u></b>	<b><u>551</u></b>	<b><u>529</u></b>
<b>BASE TOTAL POSITIONS</b>	<b><u>642</u></b>	<b><u>551</u></b>	<b><u>529</u></b>
<b><u>SUPPLEMENTAL FUNDED FTPs</u></b>			
IIJA Supplemental Funding			
Natural Gas Distribution Infrastructure Safety & Modernization	8	8	8
<b>SUBTOTAL, Supplemental Funded</b>	<b><u>8</u></b>	<b><u>8</u></b>	<b><u>8</u></b>
<b>TOTAL POSITIONS</b>	<b><u>650</u></b>	<b><u>559</u></b>	<b><u>537</u></b>

**EXHIBIT III-1a**

**ALL PHMSA ACCOUNTS  
SUMMARY ANALYSIS OF CHANGE FROM FY 2026 TO FY 2027  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

	<b><u>\$000</u></b>	<b><u>FTE</u></b>
<b>FY 2026 ENACTED</b>	<b><u>\$336,504</u></b>	<b><u>550.0</u></b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of Prior Pay Raises	0	
Annualization of new FY 2026 FTE	200	1.0
FY 2027 Pay Raises	0	
Adjustment for Compensable Days (261 days)	0	
GSA Rent	0	
WCF Increase/ Decrease	0	
Inflation and other adjustments to base	-200	
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>1.0</b>
<b>PROGRAM REDUCTIONS</b>		
Pipeline Safety - Other Services	-1,926	
Pipeline Safety - State One-call Grants	-1,058	
Hazardous Materials Safety - Other Services	-760	
Working Capital Fund Consolidation	-18,013	-22.0
<b>SUBTOTAL, PROGRAM REDUCTIONS</b>	<b>-\$22,757</b>	<b>-22.0</b>
<b>PROGRAM INCREASES:</b>		
Pipeline Safety - General Research	2,000	
Pipeline Safety - State Damage Prevention Grants	1,058	
Hazardous Materials Safety - Research & Development	2,000	
Working Capital Fund Consolidation	31,034	
<b>SUBTOTAL, PROGRAM INCREASES</b>	<b>\$36,092</b>	<b>0.0</b>
<b>FY 2027 PRESIDENT'S BUDGET</b>	<b><u>\$349,839</u></b>	<b><u>529.0</u></b>
<b>TOTAL</b>	<b><u>\$349,839</u></b>	<b><u>529.0</u></b>

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**III: Budget Request by Appropriation  
Account Exhibits and Narrative  
Justification**

# **Pipeline Safety**

**APPROPRIATIONS LANGUAGE**

**PIPELINE SAFETY**

**(PIPELINE SAFETY FUND)**

**(OIL SPILL LIABILITY TRUST FUND)**

For expenses necessary to carry out a pipeline safety program, as authorized by section 60107 of title 49, United States Code, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990 (Public Law 101-380), \$218,186,000, to remain available until September 30, [2028] 2029, of which \$30,000,000 shall be derived from the Oil Spill Liability Trust Fund; of which \$180,786,000 shall be derived from the Pipeline Safety Fund; of which [\$400,000] \$200,000 shall be derived from the fees collected under section 60303 of title 49, United States Code, and deposited in the Liquefied Natural Gas Siting Account for compliance reviews of liquefied natural gas facilities; *of which \$200,000 shall be derived from the fees collected under section 60117, of title 49, United States Code, and deposited in the Pipeline Safety Design Review Account for facility design and safety reviews;* and of which \$7,000,000 shall be derived from fees collected under section 60302 of title 49, United States Code, and deposited in the Underground Natural Gas Storage Facility Safety Account for the purpose of carrying out section 60141 of title 49, United States Code.

**EXHIBIT III-1**

**PIPELINE SAFETY**

**Summary by Program Activity**

**Appropriations, Obligation Limitations, and Exempt Obligations**

(\$000)

	<b>FY 2025 ACTUAL</b>	<b>FY 2026 ENACTED</b>	<b>FY 2027 PRES. BUD.</b>
Operations	\$116,128	\$112,749	\$114,128
Research and Development	12,500	12,500	14,500
Grants	89,558	89,558	89,558
<b>TOTAL, Base appropriations</b>	<b>\$218,186</b>	<b>\$214,807</b>	<b>\$218,186</b>
<b>FTEs</b>			
Direct Funded	352.0	319.0	320.0

**Program and Performance Statement**

PHMSA oversees the safe transportation of energy products and hazardous materials through pipelines. PHMSA's pipeline safety program regulates an expansive network of approximately 3.3 million miles of gas, hazardous liquid and carbon dioxide pipelines within the United States, as well as facilities that liquefy natural gas and store natural gas underground. PHMSA establishes and enforces pipeline safety standards and conducts safety inspections in collaboration with state partners to monitor the construction, and operating safety of pipelines. The pipeline safety program is funded by fees collected from pipeline and underground natural gas storage facility operators, as well as by an annual allocation from the Oil Spill Liability Trust Fund.

**EXHIBIT III-1a**

**PIPELINE SAFETY**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2026 TO FY 2027**

**Appropriations, Obligations, Limitations, and Exempt Obligations**

(\$000)

	<u><b>\$000</b></u>	<u><b>FTE</b></u>
<b>FY 2026 ENACTED</b>	<b><u>\$214,807</u></b>	<b><u>319.0</u></b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of Prior Pay Raises	0	
Annualization of new FY 2026 FTE	200	1.0
FY 2027 Pay Raises	0	
Adjustment for Compensable Days (261 days)	0	
GSA Rent	0	
WCF Increase/ Decrease	0	
Inflation and other adjustments to base	-200	
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>1.0</b>
<b>PROGRAM REDUCTIONS</b>		
State One-call Grants	-1,058	
Other Services	-1,926	
Working Capital Fund Consolidation	-9,531	
<b>SUBTOTAL, PROGRAM REDUCTIONS</b>	<b>-\$12,515</b>	<b>0.0</b>
<b>PROGRAM INCREASES:</b>		
General Research	2,000	
State Damage Prevention Grants	1,058	
Working Capital Fund Consolidation	12,836	
<b>SUBTOTAL, PROGRAM INCREASES</b>	<b>\$15,894</b>	<b>0.0</b>
<b>FY 2027 PRESIDENT'S BUDGET</b>	<b>\$218,186</b>	<b>320.0</b>
<b>TOTAL</b>	<b>\$218,186</b>	<b>320.0</b>

**Detailed Justification for Pipeline Safety**

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**FY 2027 – Pipeline Safety Budget Request  
(\$000)**

<b>Program Activity</b>	<b>FY 2025 Actual Level</b>	<b>FY 2026 Enacted Level</b>	<b>FY 2027 President’s Budget</b>
Operations	\$90,600	\$94,022	\$105,058
Contract Safety Program	25,528	18,727	9,070
Research and Development	12,500	12,500	14,500
Grants	89,558	89,558	89,558
<b>Total</b>	<b>\$218,186</b>	<b>\$214,807</b>	<b>\$218,186</b>
<b>FTEs</b>	<b>352.0</b>	<b>319.0</b>	<b>320.0</b>

**What is this program and what does this funding level support?**

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PHMSA develops safety standards that ensure the safe transport of energy products, such as natural gas, liquefied natural gas, hazardous liquids, and carbon dioxide; performs safety inspections of pipeline operator performance; conducts research to inform improvements to those standards; and provides training and outreach to support Federal and State pipeline safety inspection, enforcement activities, public engagement, and response. PHMSA programs are demonstrated by the following:

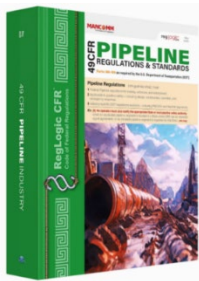
**Increasing Natural Gas Exports:** Demand is growing worldwide for natural gas from the United States. In 2024, U.S. LNG exports averaged 11.9 billion cubic feet per day (Bcf/d). That export is valued daily at \$173.4 million. While strong, this was slightly lower than in 2023 due to unplanned outages at existing export facilities and the ability to add new capacity facilities. With the Administration’s Executive Order 14154, “Unleashing American Energy”, PHMSA’s oversight of the safe operation of natural gas pipelines, LNG facilities, and underground natural gas storage facilities are greater than ever. In 2025 exports are up and new export facilities are being proposed, approved, and built. The growing capacity of LNG exports by the U.S. has helped it become the world’s largest LNG exporter and export capability is on track to increase by 80 percent between 2024 and 2028 as LNG export facilities finish construction and start operations.

**Maintaining Essential Liquid and Gas Pipelines and Pipeline Infrastructure:** Since 2000, the nation’s energy production has more than doubled. The United States now operates one of the most expansive networks of energy pipelines in the world, with over 3.3 million miles of pipelines that carry over two-thirds of energy products to market. In addition to pipelines, the Nation’s energy infrastructure also includes 8,546 breakout tanks, 183 LNG plants, and 396 underground natural gas storage facilities.

### Operations: \$105.1 million

PHMSA’s FY 2027 Pipeline Safety Operations budget supports the cost of inspection and enforcement staff, as well as subject matter experts in engineering, research and development, rulemaking, enforcement, and support staff. The operations budget supports PHMSA’s efforts to develop safety standards and conduct inspection and enforcement of pipelines.

### Safety Standards

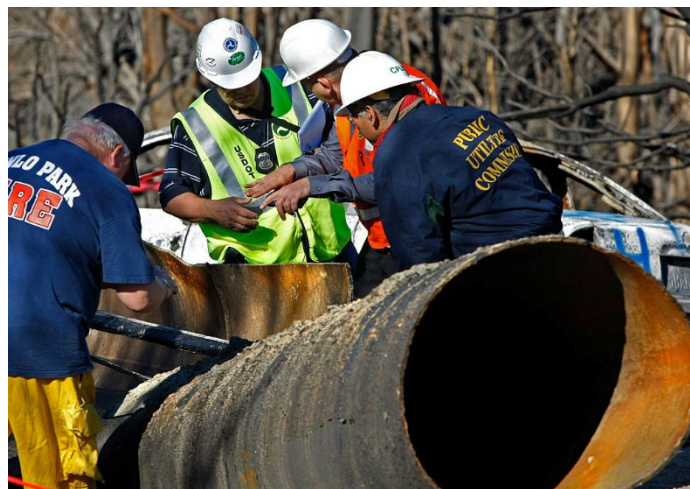


**PHMSA maintains the Pipeline Safety Regulations.** These include safety standards that address the design, construction, operation, inspection, and maintenance of pipelines throughout the country. This ensures the safe and efficient transportation and storage of energy products through pipeline networks. PHMSA also reviews existing standards for areas that might contain outdated or overly burdensome requirements that can be removed or limited.

### Inspection and Enforcement

PHMSA is responsible for inspecting and enforcing safety regulations on the nation's gas, hazardous liquid, and carbon dioxide pipeline transportation system. PHMSA conducts inspections to ensure compliance with Federal regulations and to prevent pipeline incidents. This includes:

- Operating pipeline inspections,
- Construction inspections to ensure compliance with regulations before operation,
- Drug & alcohol inspections of operator's drug and alcohol testing programs, and
- Investigations of pipeline incidents.





**National Center of Excellence for LNG Safety:** In July 2025, PHMSA formalized an agreement to house the National Center of Excellence for LNG Safety (National Center) at McNeese University centrally located in Lake Charles, Louisiana.

Congress provided funding for PHMSA in the FY 2023 Consolidated Appropriations Act to establish the National Center to further federal

government expertise in LNG operations, management, and regulatory practices; create a repository of information on best practices for LNG facility operators and all potential stakeholders; and increase LNG sector stakeholder collaboration. Funding the National Center will allow PHMSA to promote LNG safety research and enable PHMSA to be a centralized collaborator with LNG sector stakeholders.

PHMSA is requesting **\$8.4 million** to continue to advance LNG safety and excellence through strategic developments in training, regulatory coordination, research, and innovation.

Over the past year, the National Center staff increased regulatory coordination efforts with agency partners and established focused working groups with PHMSA, Federal Energy Regulatory Commission, and U.S. Coast Guard to improve and streamline LNG coordination on energy projects. Part of those efforts included solutions to reduce duplication efforts and maximize information sharing on LNG projects. The National Center is developing a repository of information that categorizes over 200 LNG operational best practices. This positions the National Center to take the lead role in the coordination between agencies to develop a one-government approach to LNG-related safety standards and regulations. The National Center has also worked with PHMSA's Training and Qualifications Division and State Programs Division to gain feedback from state and federal inspectors on additional LNG training needs.

### **Contract Safety Programs: \$9.0 million**

PHMSA's Contract Safety programs include the cost of contracted services as follows:

- **Inspection and Enforcement** contracts support PHMSA inspection and investigative staff as they conduct compliance inspections of more than 550 unique pipeline operators, many of which operate multiple pipeline systems.
- **Incident Response** contracts enable PHMSA to conduct exercises to evaluate preparedness, refine response plan procedures and capabilities, and identify best practices and opportunities for improvement. This includes the review of oil spill response plans. Currently, PHMSA maintains approximately 536 active response plans and reviews roughly 468 plans annually.
- **Pipeline Safety Information and Analysis** contracts include data systems that assist in gathering and analyzing data related to gas transmission and hazardous liquids pipelines,

liquefied natural gas facilities, and breakout tanks. This provides federal, state, and local government officials with the data needed to make informed safety decisions and changes to safety standards.

- **Pipeline Safety Training and Outreach** contracts support PHMSA’s efforts to increase communication with communities most impacted by pipelines. This includes training for both Federal and State inspection and enforcement staff, pipeline safety workshops, and excavation damage prevention efforts like the 811 “Call Before You Dig” program.



### **Research and Development: \$14.5 million**

The Pipeline Safety Research, Development, and Technology (RD&T) Program supports its mission—and advances the Administration’s priorities—through targeted research awards aimed at improving the safety of the nation’s pipeline transportation system. PHMSA’s research addresses key pipeline safety challenges by informing regulatory updates, encouraging innovation, enabling the adoption of new technologies, and delivering actionable results.

While most of the Pipeline Safety RD&T work is conducted through the Core Program, PHMSA also operates additional programs that allow the Agency to engage with focused stakeholder groups. The Competitive Academic Agreement Program supports research conducted by academic institutions, while the Small Business Innovation Research program is designed to foster innovation within the small business community. PHMSA also coordinates research efforts with other federal agencies through interagency agreements.

Research and development projects may be fully funded by PHMSA, co-funded with private sector and academic partners, or co-funded with other federal agencies. PHMSA gives preference to projects with the potential to bring a product or solution to market within five years ensuring that research investments yield real-world safety and economic impacts.

PHMSA is currently developing its eleventh round of research announcements and solicitations.

The current focus is on the following priority areas: preventing pipeline damage; detecting and characterizing threats and anomalies; verifying materials and strain capacity; improving operational practices across all LNG facility types; and deploying innovative technologies to detect leaks in hazardous liquid pipelines.

To shape its national research agenda, PHMSA periodically hosts Research and Development Forums. The next one is planned for the spring of 2026 and accepts research ideas year-round through an open public submission portal. These efforts allow PHMSA to maintain a real-time, responsive research strategy that adapts to emerging needs and stakeholder input.

### **Grants: \$89.6 million**

PHMSA provides grants to States to reimburse their cost of inspection and enforcement activities on intrastate pipelines and activities to prevent pipeline accidents and incidents. These grants include:

**State Pipeline Safety Grants, \$82.0 million:** The State Pipeline Safety Grant program supports state inspections of intrastate pipeline facilities (about 85 percent of the nation’s pipeline mileage) and the nine interstate agents that assist PHMSA by inspecting pipelines crossing state boundaries. Participating States depend on PHMSA’s funding to support hiring, training, and retaining their workforce, and all states, except Alaska and Hawaii, participate in the program. PHMSA is authorized to reimburse states up to 80 percent of the cost of carrying out their pipeline safety programs, including inspection staff and equipment costs.

**State Damage Prevention Grants, \$2.6 million:** State Damage Prevention Grants accomplish two important goals: 1) establish comprehensive State programs to prevent excavation damage to pipeline facilities in States that lack these programs, and 2) improve and enhance existing state damage prevention programs. The State Damage Prevention Grants includes the **State One-Call Program**. Each state’s One-Call program improves safety by helping notify the public of the presence of natural gas and hazardous liquid pipelines and prevents disruption of vital public services by reducing the incidence of excavation damage. The grant program requires States to demonstrate their compliance and alignment with 49 U.S.C. 6106(a) goals for improving state damage prevention programs.

**Underground Natural Gas Storage Grants \$5.0 million:** Underground Natural Gas Storage (UNGS) grants help ensure safety and drive economic growth by overseeing the safe and efficient storage and transportation of natural gas. PHMSA reimburses inspection costs to states participating in the UNGS safety program. As with the State Pipeline Safety Grants program, UNGS grants pay up to 80 percent of the qualifying costs related to inspections, enforcement, personnel, and equipment.

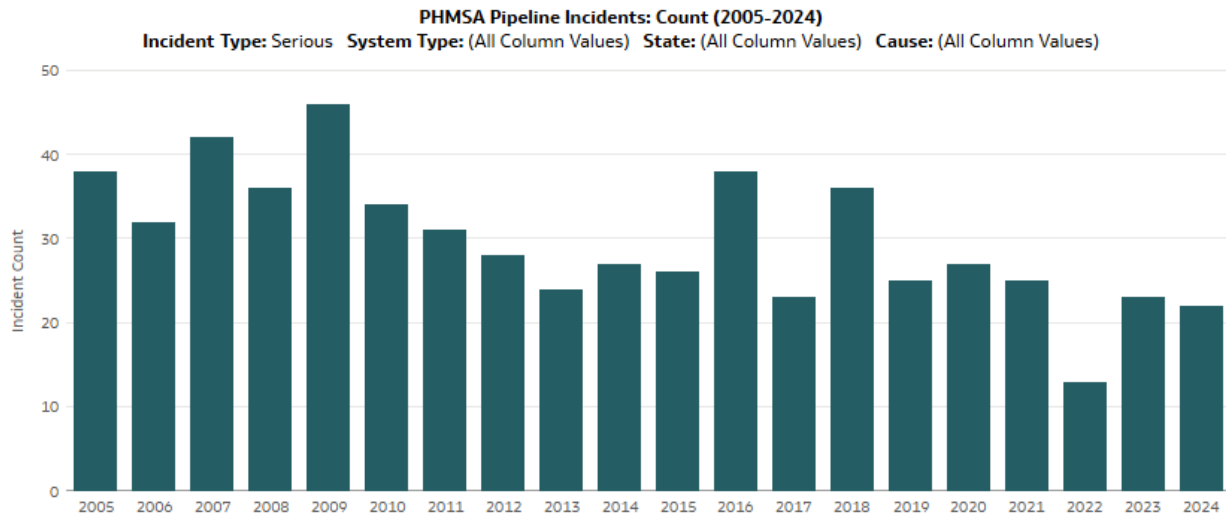
### **What benefits will be provided to the American public through this request and why is this program necessary?**

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PHMSA’s pipeline safety program increases the safety of the American public through safety

standards that ensure the safe transport of energy products, such as natural gas, LNG, hazardous liquids, and carbon dioxide, safety inspections of pipeline operator performance against those standards, pipeline research to inform improvements to those standards, and training to support state pipeline safety inspection, enforcement activities, and response.

Ultimately this leads to safer delivery of energy products through pipelines and the unleashing of Americas energy to both US consumers and exports to consumers abroad. This is clearly shown in the decrease in serious accidents and incidents over the last 20 years as shown below:



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# **Oil Spill Liability Trust Fund**

## **APPROPRIATIONS EXPLANATION**

### **TRUST FUND SHARE OF PIPELINE SAFETY**

#### **(OIL SPILL LIABILITY TRUST FUND)**

Background: Congress created the Oil Spill Liability Trust Fund (OSLTF) to help fund efforts designed to minimize oil spills into the water and environmentally sensitive areas. The OSLTF has five sources of revenue – per barrel tax, collected from the oil industry on petroleum produced or imported to the United States; transfers from other existing pollution funds; interest; cost recoveries from those responsible for oil incidents; and fines and penalties from responsible parties related to oil incidents. Funding from the Oil Spill Liability Trust Fund pays for hazardous liquid safety programs and cost of the including all oil spill response activities.

**EXHIBIT III-1**

**OIL SPILL LIABILITY TRUST FUND**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<b>FY 2025 ACTUAL</b>	<b>FY 2026 ENACTED</b>	<b>FY 2027 PRES. BUD.</b>
Operations	\$17,000	\$17,000	\$17,000
Research and Development	2,000	2,000	2,000
Grants	11,000	11,000	11,000
<b>TOTAL, Base appropriations</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>

**Program and Performance Statement**

PHMSA has multiple responsibilities to inspect, investigate failures, regulate, and research hazardous liquid pipelines. PHMSA also collects and reviews oil spill response plans prepared under the Oil Pollution Act of 1990. Operators that store, handle, or transport oil are required to develop response plans to minimize the environmental impact of oil spills and improve incident response. PHMSA reviews these plans to make sure that they are submitted on time, updated regularly, and that they comply with regulations. PHMSA improves oil spill preparedness and incident response through data analysis, inspections, exercises, spill monitoring, pipeline mapping in areas unusually sensitive to environmental damage, and by advancing technologies to detect and prevent leaks from hazardous liquid pipelines. These activities are funded in part by the OSLTF.

## **What is this program and why is it necessary?**

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Congress created the OSLTF to finance efforts to prevent, remove, and mitigate damage from oil spills into the water and environmentally sensitive areas. The OSLTF is a source of funding specifically for PHMSA's hazardous liquid pipeline safety program. Funding is used to cover PHMSA's responsibilities in overseeing operators of hazardous liquid pipelines – including pipeline integrity management; pipeline compliance inspection and enforcement; emergency preparedness related to pipeline spills and incidents; training, competency standards, and qualifications for inspection, enforcement, and operation of pipelines; State pipeline safety grants for intrastate oil pipelines; pipeline research and development (R&D); and any further responsibilities under the Oil Pollution Act. The OSLTF contribution amount is based on a reasonable share of the cost of these activities for pipelines in and around inland waterways.

In FY 2027, the OSLTF will contribute **\$30.0 million** to the overall Pipeline Safety Program. The amount funds any cost PHMSA incurs to set standards, inspect, conduct research on, or other safety support for hazardous liquids pipeline operations.

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# **Hazardous Materials Safety**

## **APPROPRIATIONS LANGUAGE**

### **HAZARDOUS MATERIALS SAFETY**

For expenses necessary to discharge the hazardous materials safety functions of the Pipeline and Hazardous Materials Safety Administration, \$74,556,000, to remain available until September 30, [2028] 2029: Provided, That up to \$800,000 in fees collected under section 5108(g) of title 49, United States Code, shall be deposited in the general fund of the Treasury as offsetting receipts: Provided further, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for travel expenses incurred in performance of hazardous materials exemptions and approvals functions.

**EXHIBIT III-1**

**HAZARDOUS MATERIALS SAFETY  
Summary by Program Activity  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

	<b>FY 2025 ACTUAL</b>	<b>FY 2026 ENACTED</b>	<b>FY 2027 PRES. BUD.</b>
Operations	\$64,986	\$57,480	\$64,986
Research and Development	7,570	5,570	7,570
Grants	2,000	3,000	2,000
<b>TOTAL, Base appropriations</b>	<b>\$74,556</b>	<b>\$66,050</b>	<b>\$74,556</b>
<b>FTEs</b>			
Direct Funded	205.0	181.0	179.0

**Program and Performance Statement**

PHMSA’s Hazardous Materials Safety program is responsible for the oversight of the safe transportation of hazardous materials. The program relies on comprehensive risk management to establish polices, standards, and regulations for classifying, packaging, hazard communication, handling, training, and transporting hazardous materials via air, highway, rail, and vessel. The program uses inspection, enforcement, outreach, and incident analysis in efforts to reduce incidents, minimize fatalities and injuries, mitigate the consequences of incidents that occur, train and prepare first responders, and enhance safety.

**EXHIBIT III-1a**

**HAZARDOUS MATERIALS SAFETY  
SUMMARY ANALYSIS OF CHANGE FROM FY 2026 TO FY 2027  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

	<u><b>\$000</b></u>	<u><b>FTE</b></u>
<b>FY 2026 ENACTED</b>	<u><b>\$66,050</b></u>	<u><b>181.0</b></u>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of Prior Pay Raises	0	
Annualization of new FY 2026 FTE	0	
FY 2027 Pay Raises	0	
Adjustment for Compensable Days (261 days)	0	
GSA Rent	0	
WCF Increase/ Decrease	0	
Inflation and other adjustments to base	0	
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>0.0</b>
<b>PROGRAM REDUCTIONS</b>		
Assistance for Local Emergency Response Training Grants	-1,000	
Other Services	-760	
Working Capital Fund Consolidation	-1,044	-2.0
<b>SUBTOTAL, PROGRAM REDUCTIONS</b>	<b>-\$2,804</b>	<b>-2.0</b>
<b>PROGRAM INCREASES:</b>		
Research & Development	2,000	
Working Capital Fund Consolidation	9,310	
<b>SUBTOTAL, PROGRAM INCREASES</b>	<b>\$11,310</b>	<b>0.0</b>
<b>FY 2027 PRESIDENT'S BUDGET</b>	<b>\$74,556</b>	<b>179.0</b>
<b>TOTAL</b>	<b>\$74,556</b>	<b>179.0</b>

**Detailed Justification for Hazardous Materials Safety**

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**FY 2027 – Hazardous Materials Safety Budget Request  
(\$000)**

<b>Program Activity</b>	<b>FY 2025 Actual Level</b>	<b>FY 2026 Enacted Level</b>	<b>FY 2027 President's Budget</b>
Operations	\$56,435	\$50,002	\$58,152
Contract Safety Program	8,551	7,478	6,834
Research and Development	7,570	5,570	7,570
Grants	2,000	3,000	2,000
<b>Total</b>	<b>\$74,556</b>	<b>\$66,050</b>	<b>\$74,556</b>
<b>FTEs</b>	<b>205.0</b>	<b>181.0</b>	<b>179.0</b>

**What is this program and what does this funding level support?**

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PHMSA is responsible for developing hazardous materials (hazmat) packaging and shipping safety standards (Hazardous Materials Regulations), completing safety inspections for businesses who follow those standards, conducting research to inform changes in those standards, and training first responders for when an accident involving hazardous materials transport occurs. PHMSA’s work is increasing in volume and complexity for several reasons including:

**Increasing Number of Shipments of Hazardous Materials:** The United States transports approximately 3.3 billion tons of hazardous materials annually, valued at around \$1.9 trillion. This equates to over 2.3 million shipments per day across various modes, including road, rail, air, and sea, as online direct-to-consumer e-commerce sales continue to grow. In 2024, PHMSA and the U.S. Census Bureau released the Expanded Hazmat Supplement. This dataset provides detailed insights into increasing hazardous materials shipments including types, quantities, packaging, industries, and transportation modes.

**Many New and Often Inexperienced Companies are Shipping Hazardous Materials to Doorsteps of Homes and Businesses:** New companies shipping otherwise hazardous materials to the doorstep of homes and businesses creates a unique challenge to PHMSA. For example, in 2024 Amazon experienced a significant influx of new sellers as approximately 839,900 new sellers joined its marketplace. This equates to about 3,700 new sellers per day. These companies often rely on PHMSA for packaging guidance and safety reminders.





**A Unique and Growing Risk in Transporting Lithium Batteries and Other Hazardous Energy Products:** Lithium-ion batteries, commonly used in hybrid and electric vehicles, consumer electronics, and energy storage systems, are hazardous materials due to their potential to cause fires or explosions. A phenomenon known as "thermal runaway" can occur when a battery is damaged or improperly handled, leading to rapid overheating and

potential ignition. The U.S. lithium-ion battery market has seen substantial growth, with revenues increasing from \$15 billion in 2022 to \$20.9 billion in 2024.

**PHMSA’s safety standard calls for using safer rail cars, when carrying crude by rail, has made moving these otherwise explosive energy products safer.** In response to several tragic accidents, PHMSA required older rail cars to be replaced by safer rail cars. The conversion to this new standard is far ahead of the targeted 2029 date with more than 67% of rail tank cars transporting Class 3 flammable liquids replaced with enhanced safety features like thicker tank shells, thermal protection, and full-height head shields.



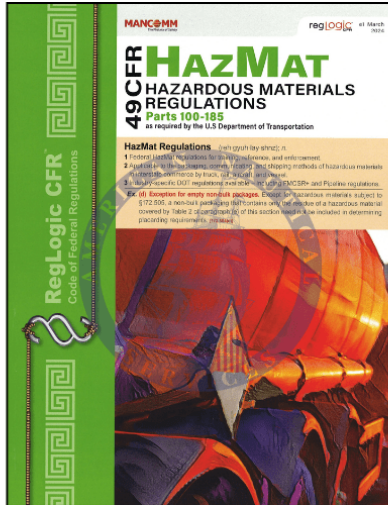
## DOT-117 TANK CAR



## Operations: \$58.1 million

PHMSA's FY 2027 Hazardous Materials Safety Operations request supports the cost of 77 safety program, scientific, safety standard development, and support staff, and 102 inspectors. The operations support the development of Safety Standards and Inspection and Enforcement of companies operating under these standards.

### Safety Standards



- **Hazardous Materials Regulations.** PHMSA develops and issues the Hazardous Materials Regulations, which govern the transportation of hazmat in interstate, intrastate, and foreign commerce. This includes the Classification, Packaging Requirements, Marking and Labeling, Shipping Papers and Documentation, Training, Operational Rules, and specifics for all Shipping Modes.

- **Permit Approvals:** PHMSA is also responsible for issuing approvals for new explosives and fireworks, as well as cylinders that are vital for safe transportation of hazmat. Most of these approvals support small businesses throughout the U.S. and ensure the safe transport and use of refillable cylinders vital to American's health (medical

oxygen cylinders), the economy, and overall well-being (e.g. propane for heating or cooking). The program also ensures safe delivery of industrial gases vital to America's manufacturing base.

- **Special Permits:** Special permits are statutorily authorized waivers from the Hazardous Materials Regulations intended to support American innovation and increase U.S. global competitiveness throughout the hazardous materials industry, including the rapidly expanding commercial space industry. PHMSA has issued approximately 8,000 special permits in the past five years.

## Inspection and Enforcement



PHMSA inspectors' complete inspections with the primary goals to:

- Ensure the safe and secure transport of hazardous materials,
- Verify compliance with Hazardous Materials Regulations requirements,
- Identify and mitigate risks to public health, safety, and the environment, and
- Educate companies and workers on hazmat safety and legal responsibilities.

### Contract Safety Programs: \$6.8 million

PHMSA's Contract Safety programs include the cost of contracted services include the following:

- **Inspection and Enforcement** contracts support the PHMSA inspection and investigative staff located in regional offices. These contracts provide package testing, technical support, uniforms, and equipment needed to detect hazardous materials or dangerous environments as a means of protecting investigators while they conduct their inspection activities.
- **Hazardous Materials Information and Analysis** contracts drive policy and decisions by collecting and analyzing data from approximately 25,000 hazardous materials transportation incidents reported to PHMSA annually. PHMSA utilizes forensic analysis to identify the root causes of these incidents to drive agency safety decisions.
- **Hazardous Materials Outreach** contracts enable PHMSA to continue to produce outreach materials such as videos, public service announcements, news articles, and programmatic

display promotions. This also includes purchasing and distributing items to increase awareness of the [Check the Box initiative](#).



- **Hazardous Materials Registration** contracts help PHMSA collect annual registration statements and fees from nearly 40,000 hazmat shippers and carriers. These fees provide essential funding for grants to first responders. The FY 2027 request will provide staff to assist registrants with proper registration.

#### Research, Development and Technology: \$7.6 million

PHMSA's **Hazardous Materials Research, Development and Technology Program** conducts research to inform regulations and support safe hazardous materials transportation. Research in this program falls into four focus areas:

- **Efficient Safety Standards:** Inform data-driven changes to hazardous materials safety standards that maximize safety and minimize burden. Anticipate risks to develop information-gathering activities that will enhance safety standards. An example is PHMSA's investigation into whether there are small quantities of some explosive materials that present risks small enough to justify deregulation.
- **Safe Energy Storage Technologies:** Address potential barriers to the safe transportation of energy storage technologies (e.g., lithium-ion batteries, energy storage systems, fuel cells, end-of-life batteries, etc.). Examples of projects include testing new battery technologies such as sodium-ion batteries to assess transport safety and developing a device to determine level of charge in lithium-ion batteries.
- **Innovative Packaging:** Alleviate safety and reliability issues in hazardous materials transportation through evaluation of innovative and novel packaging materials and designs. Address safety by researching solutions for adverse transportation conditions that affect the

package's integrity. An example includes investigating the safety of carbon-reinforced plastics in intermodal tanks and cargo tanks as potential alternatives to steel or other metals.

- **Risk Reduction for Emergency Response:** Evaluate and address challenges for emergency response to hazardous materials transportation incidents. Develop and explore foundational data about hazardous materials incidents to better prepare communities and responders and to refine best practices for responding to hazardous materials incidents by updating the *Emergency Response Guidebook*, which PHMSA writes, publishes, and distributes.

### **State Program and Community Safety Grants: \$2.0 million**

**PHMSA's two grant programs support state and local safety** by providing funding to states and communities for assistance with training outreach, and inspections.

**Community Safety Grants:** PHMSA requests \$1.0 million to fund FY 2027 Community Safety Grants. This grant program provides competitive grants to non-profit organizations for training and outreach programs to help local communities prepare for transportation incidents involving hazardous materials, including crude oil and ethanol. This funding can also be used to improve training for state and local personnel who enforce hazardous materials regulations.

**State Hazardous Materials Safety Inspection Program:** PHMSA requests \$1.0 million to fund State Hazardous Materials Safety Inspection Program grants. This grant program provides states with the resources to conduct safety inspections of hazardous materials shippers. The FY 2027 funding will provide resources for inspections for up to six states. Funding will provide reimbursement of shipper inspection costs; training that provides certification for the state hazardous materials packaging and shipping inspection program; and develop and maintain information technology systems to support data collection and analysis of the state hazardous materials inspection program.

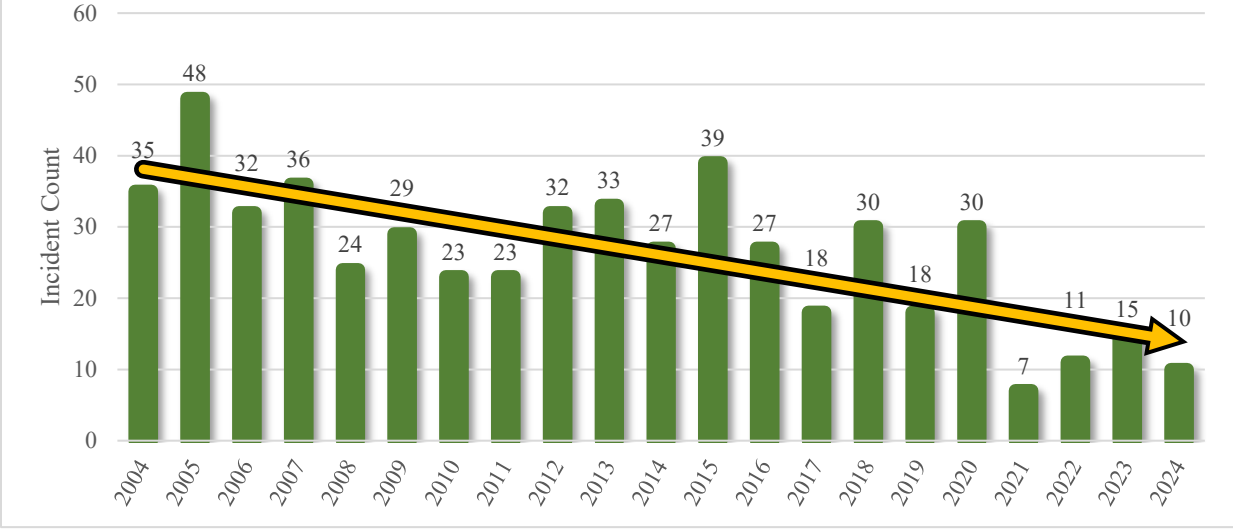
### **What benefits will be provided to the American public through this request and why is this program necessary?**

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PHMSA's hazardous materials safety programs provide benefits to Americans by improving safety in the packaging and shipping of hazardous materials, promoting economic growth and global competitiveness, and helping to protect American communities. These programs provide resources, information, and support for states and communities to prepare for and respond to hazardous materials disasters, as well as providing the ability to mitigate incidences before they happen with resources for inspections.

**Performance and Program Management:** PHMSA collects hazardous materials accident and incident data nationwide to track root causes of incidents and use the information collected to inform the public, as well as for rulemaking and to set safety standards. The following graph shows that total incidents have on average declined since 2005.

### Hazardous Materials Safety Incidents with Death or Major Injury Count (2004-2025)



# **Emergency Preparedness Grants**

## APPROPRIATIONS LANGUAGE

### [EMERGENCY PREPAREDNESS GRANTS

#### (LIMITATION ON OBLIGATIONS)

#### (EMERGENCY PREPAREDNESS FUND)]

[For expenses necessary to carry out the Emergency Preparedness Grants program, not more than \$46,825,000 shall remain available until September 30, 2028, from amounts made available by section 5116(h) and subsections (b) and (c) of section 5128 of title 49, United States Code: Provided, That notwithstanding section 5116(h)(4) of title 49, United States Code, not more than 4 percent of the amounts made available from this account shall be available to pay the administrative costs of carrying out sections 5116, 5107(e), and 5108(g)(2) of title 49, United States Code: Provided further, That notwithstanding subsections (b) and (c) of section 5128 of title 49, United States Code, and the limitation on obligations provided under this heading, prior year recoveries recognized in the current year shall be available to develop and deliver hazardous materials emergency response training for emergency responders, including response activities for the transportation of crude oil, ethanol, flammable liquids, and other hazardous commodities by rail, consistent with National Fire Protection Association standards, and to make such training available through an electronic format: Provided further, That the prior year recoveries made available under this heading shall also be available to carry out sections 5116(a)(1)(C), 5116(h), 5116(i), 5116(j), and 5107(e) of title 49, United States Code.]

**Obligation Limitation:** The FY 2027 Request repeats a proposal made in FY 2026 to remove the appropriations language that provides an obligation limitation to allow PHMSA to use all registration fees collected. The obligation limitation sets a maximum amount that can be used each year and limits PHMSA's ability to direct all collected funds toward critical hazardous materials response needs. With the obligation limitation in place, if collections exceed the obligation limitation, PHMSA cannot award those funds. PHMSA would like to ensure the award of all available resources to train and prepare first responders for hazardous materials accidents and incidents.

Removing the obligation limitation would streamline the program and enable PHMSA to disperse all collected funds and operate as authorized to ensure that communities across the Nation are better prepared to respond to dangerous and life-threatening hazardous materials accidents and incidents.

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**Sec. 180: Notwithstanding section 5116(h)(4) of title 49, United States Code, not more than 4 percent of the amounts made available from the fund established under such section shall be available to pay the administrative costs of carrying out sections 5116, 5107(e), and 5108(g)(2) of title 49, United States Code.**

Sec. 180 is related to the Emergency Preparedness Grant account and places a cap of 4% on the amount of the grant funding that can be used for costs to administer the program.

PHMSA is proposing removing this portion of the appropriations language in the Emergency Preparedness Grant account that limits obligations on this otherwise mandatory budget authority and including it instead as an Administrative Provision.

**EXHIBIT III-1**

**EMERGENCY PREPAREDNESS GRANTS  
Summary by Program Activity  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

	<b>FY 2025 ACTUAL</b>	<b>FY 2026 ENACTED</b>	<b>FY 2027 PRES. BUD.</b>
Operations	\$1,078	\$1,078	\$1,078
Grants	26,079	25,922	25,922
<b>TOTAL, Base appropriations 1/</b>	<b>\$27,157</b>	<b>\$27,000</b>	<b>\$27,000</b>

**FTEs**

Direct Funded	0.0	0.0	0.0
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1/ FY 2025 reflects sequestration of 5.7 percent of mandatory budget authority per Sequestration Order dated March 11, 2024. FY 2026 reflects sequestration of 5.7 percent of mandatory budget authority pursuant to 2 U.S.C. 901a(6)(B)(ii). FY 2027 assumes 5.7 percent sequestration.

**Program and Performance Statement**

PHMSA operates a national registration program for shippers and carriers of hazardous materials and collects a fee from each registrant. The fees collected are used for emergency preparedness planning and training grants; publication and distribution of the *Emergency Response Guidebook*; development of training curriculum guidelines for emergency responders and technical assistance to States, political subdivisions, and federally recognized tribes; and administrative costs for these programs.

**EXHIBIT III-1a**

**EMERGENCY PREPAREDNESS GRANTS  
SUMMARY ANALYSIS OF CHANGE FROM FY 2026 TO FY 2027  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

	<b><u>\$000</u></b>	<b><u>FTE</u></b>
<b>FY 2026 ENACTED</b>	<b><u>\$27,000</u></b>	<b><u>0.0</u></b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of Prior Pay Raises	0	
Annualization of new FY 2026 FTE	0	
FY 2027 Pay Raises	0	
Adjustment for Compensable Days (261 days)	0	
GSA Rent	0	
WCF Increase/ Decrease	0	
Inflation and other adjustments to base	0	
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2027 PRESIDENT'S BUDGET</b>	<b>\$27,000</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$27,000</b>	<b>0.0</b>

**Detailed Justification for Emergency Preparedness Grants**

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**FY 2027 – Emergency Preparedness Grants Budget Request  
(\$000)**

<b>Program Activity</b>	<b>FY 2025 Actual Level</b>	<b>FY 2026 Enacted Level</b>	<b>FY 2027 President’s Budget</b>
Operations	\$1,078	\$1,078	\$1,078
Grants	26,079	25,922	25,922
<b>Total</b>	<b>\$27,157</b>	<b>\$27,000</b>	<b>\$27,000</b>
<b>FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**What is this program and what does this funding level support?**

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There has been tremendous growth in the shipment of hazardous materials over the past decade, largely fueled by the expansion of direct-to-consumer e-commerce sales, domestic demand for lithium-ion battery powered electronics and international demand for American energy products and chemicals. Today, more than 2.3 million hazardous materials shipments occur every day, and more than 3.3 billion tons of hazardous materials valued at more than \$1.9 trillion are transported annually by air, highway, rail, and vessel.

Congress, through the Infrastructure Investment and Jobs Act of 2021 (IIJA), provided support to PHMSA to assist communities and first responders most affected by this growth. Funding for the program comes from registration fees from nearly 40,000 hazardous materials shippers and carriers (truckers, rail companies, and airlines). The monies collected aid community planning for unique risks from hazardous material accidents and incidents and for first responders’ training for the increased risk posed by incidents involving hazardous materials freight transported through their communities. The program funds local firefighters’ and other first responders’ training across all 50 states and territories on the response and remediation of difficult hazardous materials fires and incidents.

In FY 2027, PHMSA requests budget authority of \$27.0 million for the Emergency Preparedness Grants program. This will allow PHMSA to continue important emergency preparedness planning and training grants; technical assistance to grant recipients; and the publication, printing, and distribution of the *Emergency Response Guidebook*. This includes community response planning and training for firefighters, law enforcement, community leaders, and response organizations nationwide.

**Operations: \$1.0 million**

PHMSA’s FY 2027 request includes \$1.0 million for emergency preparedness grant related operating expenses to support the grants program. This includes activities such as grantee and registration support; sponsoring the [Hazardous Materials Emergency Response Roundtable](#) efforts, and various other grant program initiatives. These resources are also used to maintain the grants management system throughout the grant life cycle.

## **Grants Program: \$25.9 million**

Emergency Preparedness Grants provide federal financial and technical assistance to states, territories, and federally recognized tribes to develop, improve, and carry out emergency plans.

Grants include the following programs:

- Hazardous Materials Emergency Preparedness (HMEP) Grants, \$21.9 million
- Hazardous Materials Instructor Training (HMIT) Grants, \$3.0 million
- Supplemental Public-Sector Training Grants (SPST), \$1.0 million
- Assistance for Local Emergency Response Training (ALERT) (Amount based on unused amounts from other programs)

### **HMEP Grants, \$21.9 million**

There are approximately 1.04 million firefighters in the United States. A significant portion (approximately 676,900) are volunteer firefighters. These lifesaving professionals need training in the unique risks associated to a hazardous material transportation incident, including identifying the risk and determining the appropriate response.

The training and planning grants are distributed among states through a formula that factors in population density; the frequency and costs associated with serious and non-serious incidents; and mode(s) of transportation involved in previous hazardous materials accidents and incidents. These grants are awarded to states that provide funding to localities and first responders most in need of planning and training. The funding provides allocations for states to ensure these communities are informed, prepared, and trained to effectively respond to hazardous materials transportation incidents.

Annually, HMEP grants fund training for over 80,000 emergency responders nationwide. This training enables states and local communities to carry out preparedness activities, including the development of emergency response plans, hazardous materials exercises, and commodity flow studies.



**PHMSA seeks to expand the existing HMEP eligible cost to allow states and local departments to purchase operational equipment.** Currently, eligible expenses under the HMEP program are strictly tied to planning and training activities. This change stems from grantee feedback suggesting response units nationwide are in critical need of operational necessities, such as personal protective equipment (PPE), decontamination kits, and air monitoring equipment to respond to hazardous material transportation incidents safely and effectively. Emergency responders and firefighters also reported that PPE is sometimes unavailable while being cleaned following an incident, leaving them potentially unable to respond to a subsequent incident.

### **HMIT Grants, \$3.0 million**

The HMIT grant provides funding to train hazardous materials safety employees to become instructors and develops tools to extend the reach of hazardous materials training. These grants are awarded to nonprofit organizations with expertise in training hazardous materials safety employees. Annually, the HMIT program trains approximately 4,000 hazardous materials employees and instructors nationwide.



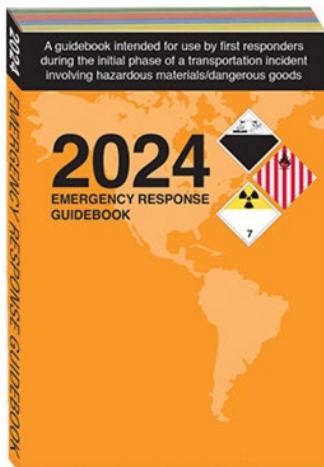
### **Supplemental Public-Sector Training Grants, \$1.0 million**

The SPST grant is used to train instructors to conduct hazardous materials response training programs for individuals with statutory responsibility to respond to hazardous materials accidents and incidents. These grants are made to national, nonprofit fire service organizations. Annually, this grant trains approximately 1,000 firefighters through instructor training or direct delivery. This program ensures that hazardous materials training is available in the most convenient, cost-effective locations by allowing graduating instructors to train new, local instructors and responders.

### **Assistance for Local Emergency Response Training (ALERT)**

The ALERT grant is funded out of recoveries from prior unused awards that are no longer available for obligation and are not otherwise appropriated for use. These grants fund training for public-sector emergency response personnel to respond to incidents involving hazardous materials by all modes of transportation. Nonprofit organizations representing regional public-private partnerships provide in-person or web-based training to ensure first responders can safely and efficiently respond to hazardous materials incidents. PHMSA also aims to train responders in communities on or near rail lines, which transport a significant volume of high-risk energy commodities or toxic inhalation hazards.

## Emergency Response Guidebook, \$589,000



PHMSA develops, publishes, and distributes an updated version of its *Emergency Response Guidebook (ERG)* every four years—in both paperback and electronic versions. The *ERG* is developed jointly by the U.S. Department of Transportation, Transport Canada, and the Secretariat of Communications and Transportation of Mexico for use by first responders. The guidebook is for initial actions to be taken to protect first responders and the public during hazardous materials incidents (see: <http://www.phmsa.dot.gov/hazardous-materials/library/erg>).

It is widely used by the transportation industry and is internationally recognized.

Since 1993, over 20 million copies of the *Emergency Response Guidebook* have been published and distributed, in addition to 2.6 million downloads of the *ERG* mobile

application for iOS and Android devices. This guide is the primary resource for the nation's first responders, and is the globally recognized authority in hazardous materials containment, having been translated into more than a dozen languages.

## Oversight and Technical Assistance, \$141,000

The IIJA requires the Department to provide technical assistance to a State, its political subdivisions, or federally recognized tribes for carrying out emergency response training and planning for incidents involving hazardous materials. PHMSA does this through on-site, technical assistance visits and outreach including web-based and media engagements.

In addition, these funds support state, local and tribal hazardous materials training initiatives through the publication of *Guidelines for Response, Planning and Prevention Training for Incidents Involving Hazardous Materials and Weapons of Mass Destruction*.

## What benefits will be provided to the American public through this request and why is this program necessary?

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Well-trained first responders, with an ability to identify hazardous materials at the scene of an incident, knowledge on how to secure a site, and extinguish hazardous material fires are crucial for keeping the public safe.

Hazardous materials employees and emergency responders also benefit from qualified training instructors. These grants help ensure workplace safety and compliance when transporting hazardous materials and provide training to firefighters across the nation to ensure a safe and efficient response to hazardous material incidents. Every year grantees instruct thousands of trainers and hazardous materials employees on the rules, regulations, and best practices on the containment of hazardous materials accidents and incidents. Emergency preparedness and response training is a vital service for the nation's first responders and the American public. Effective preparation for emergencies helps prevent and contain the impact(s) of hazardous materials incidents and accidents, saving lives and reducing environmental damage every year.

**Performance and Program Management:** PHMSA collects accomplishment data on training provided to first responders and community response plans developed with funding from the Emergency Preparedness Grants programs nationwide. This results in volunteer and career first responders being properly trained in the appropriate response to accidents and incidents involving hazardous materials. Based on final performance reports capturing outputs from FY 2019 – 2024, the program has aided the following response activities nationwide:

- Training of more than 368,000 emergency responders,
- Development of 199 new emergency plans,
- Updates to 279 emergency response plans,
- Performance of 313 emergency response exercises,
- Completion of 247 commodity flow studies,
- Completion of 76 hazard analyses and capability assessments, and
- Completion of over 914 other hazardous materials planning activities.

# **Operational Expenses**

**APPROPRIATIONS LANGUAGE  
OPERATIONAL EXPENSES**

For necessary operational expenses of the Pipeline and Hazardous Materials Safety Administration, \$[31,681,000] *30,097,000*, of which \$4,500,000 shall remain available until September 30, [2028] *2029*.

**EXHIBIT III-1**

**OPERATIONAL EXPENSES**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<b>FY 2025 ACTUAL</b>	<b>FY 2026 ENACTED</b>	<b>FY 2027 PRES. BUD.</b>
Operations	\$27,181	\$24,147	\$25,597
Grants	4,500	4,500	4,500
<b>TOTAL, Base appropriations</b>	<b>\$31,681</b>	<b>\$28,647</b>	<b>\$30,097</b>
<b>FTEs</b>			
Direct Funded	85.0	50.0	30.0

**Program and Performance Statement**

The Operational Expenses account funds administrative activities that support Pipeline and Hazardous Materials Safety Administration (PHMSA) safety programs, including formulating budget justifications, developing spend plans for budget execution, writing complex regulations, supporting enforcement actions, and other administrative functions.

**EXHIBIT III-1a**

**OPERATIONAL EXPENSES  
SUMMARY ANALYSIS OF CHANGE FROM FY 2026 TO FY 2027  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

	<b><u>\$000</u></b>	<b><u>FTE</u></b>
<b>FY 2026 ENACTED</b>	<b><u>\$28,647</u></b>	<b><u>50.0</u></b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of Prior Pay Raises	0	
Annualization of new FY 2026 FTE	0	
FY 2027 Pay Raises	0	
Adjustment for Compensable Days (261 days)	0	
GSA Rent	0	
WCF Increase/ Decrease	0	
Inflation and other adjustments to base	0	
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>0.0</b>
<b>PROGRAM REDUCTIONS</b>		
Working Capital Consolidation	-7,438	-20.0
<b>SUBTOTAL, PROGRAM REDUCTIONS</b>	<b>-\$7,438</b>	<b>-20.0</b>
<b>PROGRAM INCREASES:</b>		
Working Capital Consolidation	8,888	
<b>SUBTOTAL, PROGRAM INCREASES</b>	<b>\$8,888</b>	<b>0.0</b>
<b>FY 2027 PRESIDENT'S BUDGET</b>	<b>\$30,097</b>	<b>30.0</b>
<b>TOTAL</b>	<b>\$30,097</b>	<b>30.0</b>

**Detailed Justification for Operational Expenses**

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**FY 2027 – Operational Expenses Budget Request  
(\$000)**

<b>Program Activity</b>	<b>FY 2025 Actual Level</b>	<b>FY 2026 Enacted Level</b>	<b>FY 2027 President's Budget</b>
Operations	\$22,404	\$19,586	\$24,434
Contract Safety Program	4,777	4,561	1,163
Grants	4,500	4,500	4,500
<b>Total</b>	<b>\$31,681</b>	<b>\$28,647</b>	<b>\$30,097</b>
<b>FTEs</b>	<b>85.0</b>	<b>50.0</b>	<b>30.0</b>

**What is this program and what does this funding level support?**

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The Operational Expense account funds PHMSA operations working to deliver safe and reliable transportation of energy and hazardous materials across all modes of transportation. This account funds the Office of the Administrator, the Office of the Chief Financial Officer, General Counsel, and key staff who interacts with the Departmental Chief Information Officer, Facilities, Human Resources, and other newly centralized services.

**Safety Standards:** PHMSA’s Operational Expense account includes funding for the Office of the Chief Counsel. This Office plays a key role in developing and defending pipeline and hazardous materials safety standards and litigation involved with establishing, improving, or defending the same.

**Systems that support operations:** PHMSA’s Office of the Chief Financial Officer (CFO) that includes effective financial management including the billing and collection of user fees from pipeline operators and hazardous material shippers and carriers. The Office of the CFO also manages facilities and fleet vehicles at regional offices, travel approvals, and all systems that make inspection and enforcement possible.

**Operations: \$24.4 million**

PHMSA requests \$24.4 million to fund FY 2027 operations activities. This funding will be used to cover the cost of salaries and benefits, equipment, rent, travel, training, contracts, and other

essential tools and technologies needed to further PHMSA as a safety organization.

### **Contract Safety Programs: \$1.1 million**

PHMSA requests \$1.1 million to fund FY 2027 contract safety program activities. This funding will allow for continued investment in information technology modernization. PHMSA systems support developing safety standards; collecting accident and incident data and assessing causality; inspection and enforcement of the standards; and monitoring all performance and results against those standards.

### **Grants: \$4.5 million**

PHMSA requests \$4.5 million to fund FY 2027 grants programs. This funding will allow PHMSA to continue to administer the Pipeline Emergency Response and Pipeline Information Grants to Communities.

**Pipeline Emergency Response Grants:** Emergency Response grants are awarded to local governments to provide pipeline emergency response training, management, and technical assistance in high consequence areas. The program equips communities and first responders with the tools needed to safely navigate hazardous pipeline incidents.

**Pipeline Information Grants to Communities:** Pipeline Information Grants to Communities are awarded to communities impacted by pipeline projects and facilities to provide information about pipeline projects near or through them. This can include resources on benefits and risks posed and efforts to keep operations safe around homes and businesses. This funding cannot be used for advocacy or lobbying against the pipeline industry.

### **What benefits will be provided to the American public through this request and why is this program necessary?**

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PHMSA advances the safe transportation of energy products and other goods—many of which contain hazardous materials—that support daily life and commerce. In FY 2025, the US energy industry began rapid growth. Similarly, US commerce activity grew with the rise in e-commerce and increased use of lithium and other hazardous material-based energy types delivered to the doorstep of American homes and businesses. The request will allow PHMSA to Support commerce by updating safety standards used in packaging and shipping of often hazardous goods to most homes and businesses and encouraging the use and build of safe pipelines, natural gas storage and facilities that export America’s vast energy supply.

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## **IV: Research, Development and Technology**

**Exhibit IV-1: Research, Development, and Technology (RD&T) Budget Authority  
Pipeline and Hazardous Materials Safety Administration  
FY 2027 Research, Development, & Technology Budget Authority  
(\$000)**

<b>Budget Account</b>	<b>FY 2025 Actual</b>	<b>FY 2026 Enacted</b>	<b>FY 2027 Request</b>	<b>Applied</b>	<b>Technology Transfer</b>	<b>Facilities</b>	<b>Experimental Development</b>	<b>Major Equipment, R&amp;D Equipment</b>
<b>Pipeline Safety</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$14,500</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$14,500</b>	<b>\$-</b>
<b>Safety</b>								
Liquefied Natural Gas	6,000	5,000	4,000				4,000	
Underground Natural Gas Storage	1,500	500	-				-	
Pipeline Threat/Anomaly Detection	1,000	1,000	2,500				2,500	
Pipeline Leak Detection (liquid)	1,000	1,500	2,000				2,000	
Pipeline Threat Prevention	1,000	1,500	2,000				2,000	
Repair/Rehabilitation	1,000	1,500	2,000				2,000	
Design, Materials, and Welding/Joining	-	1,500	2,000				2,000	
New Energy Sources	1,000	-	-				-	
<b>Hazardous Materials Safety</b>	<b>\$7,570</b>	<b>\$5,570</b>	<b>\$7,570</b>	<b>\$7,570</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Safety</b>								
Risk Reduction for Emergency Response	1,500	1,500	1,500	1,500				
Efficient Safety Standards	1,000	1,000	1,000	1,000				
Innovative Packaging	2,500	1,500	2,500	2,500				
Safe Energy Storage Technologies	2,570	1,570	2,570	2,570				
<b>Administrative Expenses</b>	<b>\$1,846</b>	<b>\$1,846</b>	<b>\$1,846</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
Pipeline Safety	1,214	1,214	1,214					
Hazardous Materials Safety	632	632	632					
<b>Total R&amp;D Funding, all appropriations</b>	<b>\$21,916</b>	<b>\$19,916</b>	<b>\$23,916</b>	<b>\$7,570</b>	<b>\$-</b>	<b>\$-</b>	<b>\$14,500</b>	<b>\$-</b>

# **Pipeline and Hazardous Materials Safety Administration (PHMSA)**

## **Research Summary**

The Pipeline and Hazardous Materials Safety Administration (PHMSA) ensures the safe transportation of energy products and hazardous materials that are critical to our nation. PHMSA conducts research, development, and technology (RD&T) advancement and implementation through the Offices of Pipeline Safety and Hazardous Materials Safety.

PHMSA's research informs safety standards and develops safety technology that industry uses to operate without incident. PHMSA's research leads to the development of new or improved tools, technologies, and knowledge to improve safety and aid in the prevention of disruption to energy transportation. Since 2002, PHMSA's RD&T in pipeline safety resulted in 89 patent applications, 39 successful patents, 535 journal articles and conference papers, and 35 commercialized technologies (current statistics can be found at <https://primis.phmsa.dot.gov/rd/tech-impact/>). This has had a significant positive impact on the safety and efficiency of the nation's pipeline system. These results demonstrate PHMSA's dedication to industry-relevant, tangible results through rapid advancement of prototypes, purpose-driven impacts, and dedication to transparency with stakeholders.

In FY 2027, PHMSA will continue to identify research areas with industry involvement, review accident data and forensics, and share completed research with all that can benefit from it.

## **Pipeline Safety Research FY 2027 Funding Request: \$14,500,000**

### **Program Description/Activities**

PHMSA's Pipeline Safety Research Program supports the safe and efficient transportation of energy products. Research priorities are identified through a collaborative process that includes reviewing accident trends, collecting input through a public portal, holding biennial forums with industry and researchers, and partnering with government and non-government organizations. PHMSA also evaluates past research to identify opportunities for follow-on work. This collaborative approach helps focus resources on the most important and impactful research topics.

PHMSA's safety focus will encourage future innovation. PHMSA's pipeline research is driving new safety solutions and innovative technologies with research projects through the Liquefied Natural Gas (LNG) Center of Excellence. With natural gas production and LNG terminals expanding, the Center of Excellence will help unleash American energy in its work on operational safety practices and as a repository on best practices for facility operators and stakeholders. PHMSA's pipeline R&D provides data driven research in leak detection, corrosion, and threat prevention from geohazard, seismic, floods, human causes, and third-party damages. This directly improves pipeline safety and industry reliability which ensures more of the commodity reaches customers.

**Anticipated Program Activities:** The FY 2027 PHMSA research priorities for the Pipeline Safety RD&T Program will focus on the following areas:

- **Liquefied Natural Gas (\$4.0 million):** Investment in LNG facility safety research continues to be a priority as expansion of the sector continues. Coordination with LNG sector stakeholders will develop research solutions to address performance-based risk reduction at every type of LNG facility during site location, design, construction, operations, maintenance, and fire protection activities. LNG funding was reduced in 2026 to complete and evaluate results from prior years' research, ensuring future funding targets unresolved gaps without duplicating work.
- **Pipeline Threat/Anomaly Detection/Characterization (\$2.5 million):** Investment in research related to detecting and characterizing anomalies in pipeline systems continues to be a priority. Detection capability should be improved for corrosion, cracks, dents, gouges, and other anomaly types. With a focus on infrastructure and product movement, funding has been increased to address identified safety and integrity gaps to prevent incidents and accidents.
- **Pipeline Leak Detection (liquid) (\$2.0 million):** Leak detection provides early recognition of releases, reduces adverse consequences, and keeps more product in the pipe. Maintaining funding levels in this area will continue to advance and modernize technology to develop better ways to identify, locate, and quantify hazardous liquid leaks in pipeline systems.
- **Pipeline Threat Prevention (\$2.0 million):** Investment in research related to excavation, natural forces, and other outside force damage to pipelines continues to be the cause of serious incidents.<sup>1</sup> Preventing or reducing this damage would greatly increase pipeline safety and reduce impact to communities. Threat prevention and managing risk continue to play a key role in pipeline safety. Increasing research levels will help to identify and determine best ways to reduce those risks and develop necessary tools.
- **Repair/Rehabilitation (\$2.0 million):** Investment in research related to better understand damaged coatings, corrosion, and other defects is a priority due to increases in system conversions. Improving existing, and creating new, reliable repair methods is critical to the safe and economical operation of pipelines. This increase will address gaps identified in repair and rehabilitation.
- **Design, Materials, and Welding/Joining (\$2.0 million):** Investment in research related to pipeline materials and design continues to be a priority, including research on how pipeline materials and design can mitigate or minimize integrity threats to hazardous liquid, gas transmission and distribution pipelines, UNGS facilities, and LNG facilities. Welding and joining requires automation and inspection capabilities that can safely improve the strength of construction activities in economical ways. To enhance the safety and integrity of pipeline infrastructure, funding has been increased to address identified gaps in these areas. This

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<sup>1</sup> <https://www.phmsa.dot.gov/data-and-statistics/pipeline/national-pipeline-performance-measures>

investment aims to prevent incidents and accidents by strengthening pipeline design, material selection, and welding practices.

### **Hazardous Materials Safety Research FY 2026 Funding Request: \$7,570,000**

#### **Program Description/Activities**

PHMSA's Hazardous Materials Safety Research Program will improve the safe and efficient delivery of 2.3 million daily shipments of hazardous materials. The Hazardous Materials Safety Research Program collaborates extensively with industry and other stakeholders, initiating research projects driven by stakeholder input and subject matter experts. PHMSA shapes its comprehensive research strategy through research forums, open solicitations and requests for information, and direct partnerships with Federal agencies.

PHMSA has four core research areas for FY 2027: Efficient Safety Standards, Safe Energy Storage Technologies, Innovative Packaging, and Risk Reduction for Emergency Response. These activities mitigate safety risks while minimizing burden, enhance safer energy storage transportation, minimize packaging failure risks, and reduce risks to emergency responders.

#### **Anticipated Program Activities**

The FY 2027 PHMSA research priorities for Hazardous Materials RD&T Program will focus on the following areas:

- **Efficient Safety Standards (\$1.0 million):** Inform data-driven changes to hazardous materials safety standards that maximize safety and minimize burden. Anticipate risks to develop information-gathering activities that will enhance safety standards. For example, PHMSA is assessing the safety of small quantities of certain explosives—like those used for canine training—to determine whether the lower risks justify deregulation. Additionally, PHMSA ensures regulations keep up with modern manufacturing processes, such as new ways to reduce aerosol can wall thicknesses without compromising integrity.
- **Safe Energy Storage Technologies (\$2.6 million):** Address potential barriers to the safe transportation of energy storage technologies (e.g., lithium-ion batteries, energy storage systems, fuel cells, end-of-life batteries, etc.). As the energy sector rapidly evolves, PHMSA invests in innovations that lower transportation costs and enhance safety. For example, the Battery Logistics Integrated Safety System is a robust, “smart”, packaging system that monitors and protects battery shipments throughout their life cycle. PHMSA addresses transportation for disposal/reuse through research that is developing a novel gel to remove residual energy in end-of-life batteries.
- **Innovative Packaging (\$2.5 million):** Alleviate safety and reliability issues in hazardous materials transportation through evaluation of innovative and novel packaging materials and designs. Address safety by researching solutions for adverse transportation conditions that affect the package's integrity. PHMSA evaluates the safety of packaging material alternatives to steel and metal such as fiber-reinforced plastic intermodal/cargo tanks. PHMSA also

develops new technologies to accurately communicate packaging failures, such as a novel sensor tag to identify leaks and other issues.

- **Risk Reduction for Emergency Response (\$1.5 million):** Evaluate and address challenges for emergency response to hazardous materials transportation incidents. Develop and explore foundational data about hazardous materials incidents to better prepare communities and first responders. Projects include refining best practices for emergency response through updates to the Emergency Response Guidebook, which PHMSA writes, publishes, and distributes. Other projects evaluate new and emerging risks such as electric vehicle trucking or aim to reduce risks by better tracking the flow of hazardous materials through communities.

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## **V: Information Technology Expenditure**

**FY 2027 INFORMATION TECHNOLOGY BUDGET REQUEST  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
BUDGET AUTHORITY  
(\$000)**

Budget Account	FY 2025 Enacted	FY 2026 Enacted	FY 2027 President's Budget
<b>Pipeline Safety</b>	<b>\$28,333</b>	<b>\$24,025</b>	<b>\$26,163</b>
<i>Shared Services WCF</i>	\$7,704	\$8,503	\$8,501
<i>Modal IT</i>	\$20,629		
<i>Modal IT WCF</i>		\$15,522	\$17,662
<b>Hazardous Materials Safety</b>	<b>\$12,237</b>	<b>\$12,675</b>	<b>\$9,415</b>
<i>Shared Services WCF</i>	\$4,496	\$4,962	\$4,758
<i>Modal IT</i>	\$7,741		
<i>Modal IT WCF</i>		\$7,713	\$4,657
<b>Operational Expenses</b>	<b>\$6,684</b>	<b>\$5,564</b>	<b>\$4,300</b>
<i>Shared Services WCF</i>	\$1,520	\$1,677	\$1,300
<i>Modal IT</i>	\$5,164		
<i>Modal IT WCF</i>		\$3,887	\$3,000
<b>Total</b>	<b>\$47,253</b>	<b>\$42,264</b>	<b>\$39,878</b>

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is requesting **\$39.9 million** in FY 2027 for information technologies (IT) that support the full spectrum of PHMSA programs as well as the Department's initiative to transform and consolidate the management of all IT solutions centrally by the Office of the Chief Information Officer (OCIO).

**Shared Services WCF**

PHMSA requests **\$8.5 million** from the Pipeline Safety account, **\$4.7 million** from the Hazardous Materials Safety account, and **\$1.3 million** from the Operational Expense account for IT Shared Services.

### **Modal IT WCF**

PHMSA requests **\$17.7 million** from the Pipeline Safety account, **\$4.7 million** from the Hazardous Materials Safety account, and **\$3.0 million** from the Operational Expense account for major mission-critical IT systems that will be maintained by DOT Working Capital Fund (WCF) in FY 2027. This list is only a subset of all IT systems that support PHMSA.

- **National Pipeline Mapping System (NPMS)** – Development, modernization, and enhancement (DME) and operation and maintenance (O&M) of this mission critical system. NPMS is a legally mandated mapping platform that provides essential pipeline safety information to the public and state and local officials.
- **PHMSA Portal System (PPS)** - DME and O&M of this mission critical system. PPS collects information on packagers and shippers, generating a risk rating for each regulated entity, and retains the inspection history.
- **PHMSA Datamart** –DME and O&M of this mission critical system. PHMSA Datamart collects and analyzes pipeline incident data, determines causes, and integrates relevant data elements to support inspection planning and safety standard development.
- **Pipeline Risk Management Information System (PRIMIS)** –DME and O&M of this mission critical system. PRIMIS distributes regulatory and safety information and supports state-level inspection tools like the Inspection Assistant tool.

## **VI: 10-Year Funding History Tables**

**EXHIBIT VI**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**HISTORY OF APPROPRIATIONS**  
**Pipeline Safety**

<u>YEAR</u>	<u>REQUEST</u>	<u>ENACTED</u>
2018	\$132,263,326	\$139,000,000
2019	\$127,200,000	\$142,000,000
2020	\$127,000,000	\$145,000,000
2021	\$141,000,000	\$145,000,000
2022	\$155,000,000	\$155,000,000
2023	\$158,800,000	\$161,385,000
2024	\$198,228,000	\$188,186,000
2025	\$203,580,000	\$188,186,036
2026	\$188,186,000	\$184,807,000
2027	\$188,186,000	

**EXHIBIT VI**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**HISTORY OF APPROPRIATIONS**  
**Trust Fund Share of Pipeline Safety**  
**(Oil Spill Liability Trust Fund)**

<u>YEAR</u>	<u>REQUEST</u>	<u>ENACTED</u>
2018	\$22,080,944	\$23,000,000
2019	\$23,000,000	\$23,000,000
2020	\$22,000,000	\$23,000,000
2021	\$22,000,000	\$23,000,000
2022	\$23,000,000	\$27,650,000
2023	\$29,000,000	\$29,000,000
2024	\$30,000,000	\$30,000,000
2025	\$31,000,000	\$30,000,000
2026	\$30,000,000	\$30,000,000
2027	\$30,000,000	

**EXHIBIT VI**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**HISTORY OF APPROPRIATIONS**  
**Hazardous Materials Safety**

<u>YEAR</u>	<u>REQUEST</u>	<u>ENACTED</u>
2018	\$55,513,268	\$59,000,000
2019	\$52,070,000	\$58,000,000
2020	\$53,000,000	\$61,000,000
2021	\$61,000,000	\$62,000,000
2022	\$62,000,000	\$66,829,000
2023	\$74,211,000	\$70,743,000
2024	\$80,554,000	\$74,556,000
2025	\$86,586,000	\$74,555,520
2026	\$74,556,000	\$66,050,000
2027	\$74,556,000	

**EXHIBIT VI**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**HISTORY OF APPROPRIATIONS**  
**Emergency Preparedness Grants**  
**(Obligation Limitation)**

<u>YEAR</u>	<u>REQUEST</u>	<u>ENACTED</u>
2018	\$28,318,000	\$26,449,012
2019	\$28,318,000	\$26,562,000
2020	\$28,318,000	\$26,704,000
2021	\$28,318,000	\$29,318,000
2022	\$29,318,000	\$28,318,000
2023	\$46,825,000	\$28,318,000
2024	\$46,825,000	\$28,318,000
2025	\$39,000,000	\$46,825,000
2026	\$44,156,000	\$46,825,000
2027	\$27,000,000	

**EXHIBIT VI**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**HISTORY OF APPROPRIATIONS**  
**Operational Expenses**

<u>YEAR</u>	<u>REQUEST</u>	<u>ENACTED</u>
2018	\$20,960,079	\$23,000,000
2019	\$23,710,000	\$23,710,000
2020	\$24,215,000	\$24,215,000
2021	\$24,215,000	\$28,715,000
2022	\$28,715,000	\$29,100,000
2023	\$30,150,000	\$29,936,000
2024	\$31,681,000	\$31,681,000
2025	\$32,633,000	\$31,680,824
2026	\$31,681,000	\$28,647,000
2027	\$30,097,000	