



# **BUDGET ESTIMATES FISCAL YEAR 2026**

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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 2026 BUDGET REQUEST**  
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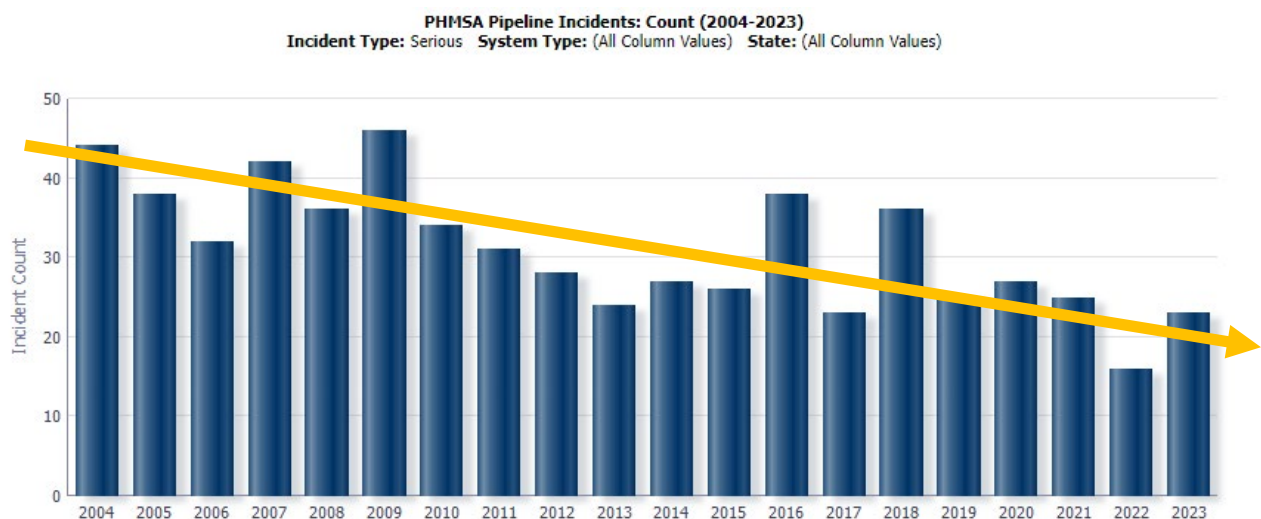
# **I: Overview**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
FY 2026 ADMINISTRATOR'S OVERVIEW**

The Pipeline and Hazardous Materials Safety Administration (PHMSA or Agency) is requesting \$368.6 million for Fiscal Year (FY) 2026. Combined with the \$200.0 million in advance appropriations provided under Division J of the Infrastructure Investment and Jobs Act, PHMSA's total budgetary resources would amount to \$568.6 million. This funding will enable PHMSA to further its mission by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives.

**The FY 2026 request is driven by data and closely tied to performance outcomes.** PHMSA employs rigorous performance measurement systems to track incidents and accidents in pipeline and hazardous materials transportation safety. For pipeline safety, PHMSA collects detailed incident data from all operators—reporting by location and cause—and maintains the National Pipeline Mapping System to pinpoint infrastructure locations. 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.

Investments in data systems are crucial for PHMSA to allocate resources effectively and prevent accidents. The FY 2026 request continues investments in state and federal inspection and enforcement staff, which, alongside enhanced safety standards, have contributed to a **near 20-year low in pipeline accidents and incidents.**



PHMSA uses performance data to address the risks associated with the transportation of oil, gas, and other energy products by pipeline. PHMSA meets its critical safety mission by advancing new pipeline safety standards; providing training and support for state safety inspectors for

intrastate pipelines; maintaining initiatives to attract and retain top safety engineers; and supporting pipeline safety research.

PHMSA is committed to maximizing savings and redirecting funds to critical safety needs. For example, PHMSA consolidated its grants management systems to improve oversight and enable the redistribution of funds to train an additional 32,000 firefighters and first responders.

PHMSA also transitioned to cloud storage, freeing up funds to design a new system for tracking fireworks packaging and shipping.

**In FY 2026, PHMSA will award the final year of funding for the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program.** The NGDISM Grant Program is a statutorily authorized program that funds the repair, rehabilitation, and replacement of leak-prone pipe. These final awards will continue to support municipal and community-owned natural gas systems' efforts to improve their aging pipeline infrastructure and ensure the safe delivery of energy to homes and businesses across the Nation.

To reduce hazardous materials accidents and incidents, PHMSA will continue to register shippers and set safety standards for nearly 40,000 companies transporting regulated hazardous materials. PHMSA regulations cover the packaging and transport of energy products and other hazardous goods by air, highway, rail, and water. Annually, these regulated hazardous materials account for more than 3.3 billion tons of goods with a value exceeding \$1.9 trillion.

Following the tragic train derailment in East Palestine, Ohio, in February 2023, PHMSA has trained record numbers of first responders in effective hazardous materials accident response. Through the Emergency Preparedness Grants (EPG) Program, funded by registration fees from packagers and shippers, **PHMSA ensures that well-trained first responders are swiftly on-site to manage risks, prevent fatalities and injuries, and mitigate damage to communities.**

Following is a programmatic summary of PHMSA's FY 2026 request:

**\$418.2 million for Pipeline Safety**, including inspection and enforcement staff and safety professionals. Other important Pipeline Safety investments include:

- **\$200.0 million for the NGDISM Grant Program** that provides a multi-year investment to municipal and community-owned utilities for the repair, rehabilitation, or replacement of leak-prone pipe. This program will accelerate the repair, rehabilitation, or replacement of aging infrastructure to improve safety.
- **\$116.1 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. **\$90.0 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)**, **State Damage Prevention Grants (\$1.5 million)**, and **State One-Call Grants (\$1.1 million)**.

- **\$12.5 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 61percent of all pipeline incidents.

**\$121.4 million for Hazardous Materials Safety and Emergency Preparedness Grants**, including regional inspectors and outreach staff and safety professionals. Important Hazardous Materials Safety investments include:

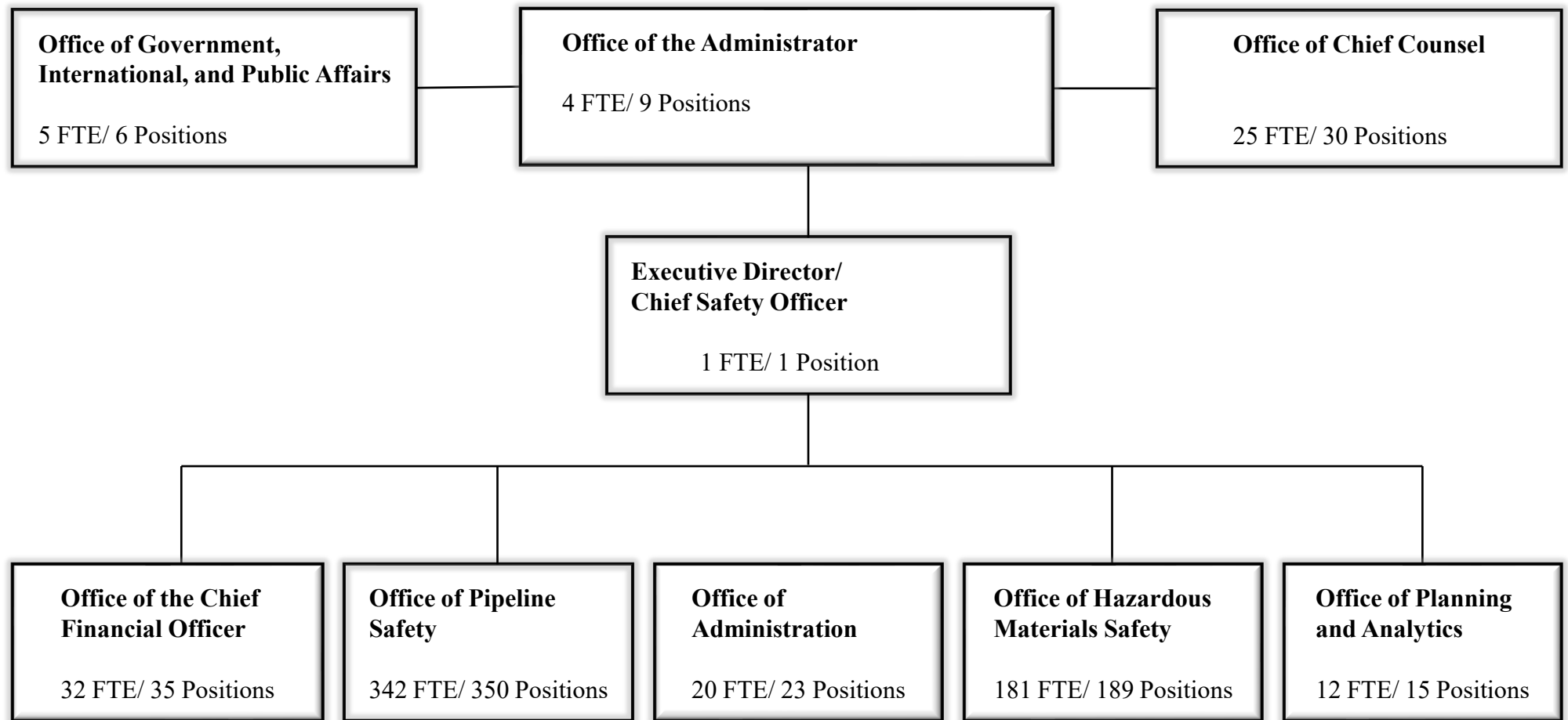
- **\$66.9 million for hazardous materials safety operations**, including rising costs for regional inspector travel and cybersecurity investments to protect access to secure data.
- **\$48.8 million for grants** to first responders and local governments in areas with hazardous materials routes near 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 100,000 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 supporting innovation in packaging and enhanced shipping methods.

**\$31.7 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:

- **\$4.5 million for Pipeline Emergency Response Grants (\$2.5 million) and Information Grants to Communities (\$2.0 million)**. 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 2025

Total PHMSA  
622 FTE/ 658 Positions



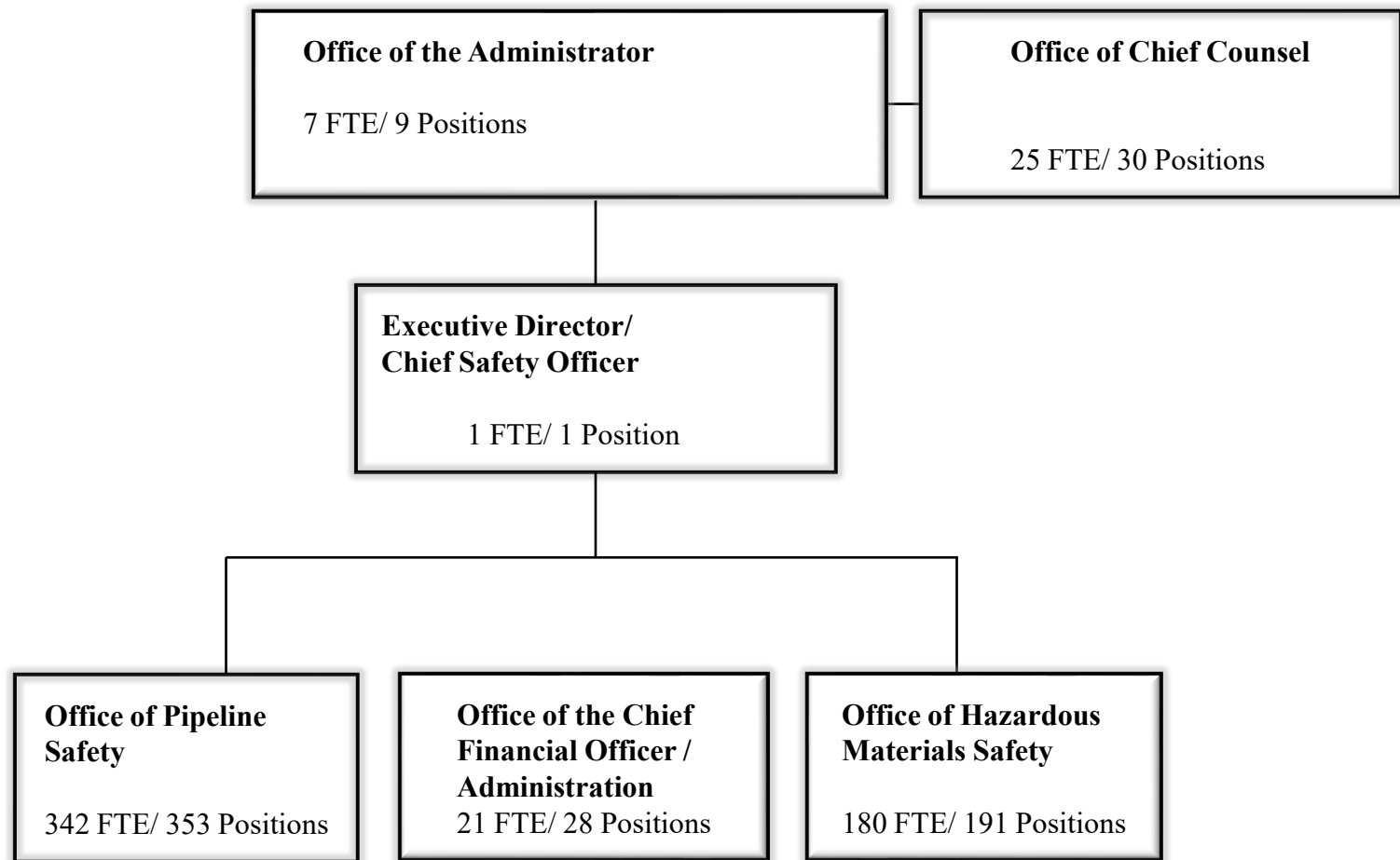


# **Exhibit I-B**

## **Organizational Chart**

### **FY 2026**

Total PHMSA  
576 FTE/ 612 Positions



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## **II: Budget Summary Tables**

**EXHIBIT II-1**  
**FY 2026 BUDGET AUTHORITY**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**(\$000)**

		(A)	(B)	(C)	(D)	(E)
ACCOUNT NAME	M / D	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 BASELINE ESTIMATES	FY 2026 PROGRAM CHANGES	FY 2026 REQUEST (C+D)
<b>PIPELINE SAFETY</b>		\$ 218,186	\$ 218,186	\$ 218,186	\$ -	\$ 218,186
Pipeline Safety Fund	D	\$ 180,786	\$ 180,786	\$ 180,786	\$ -	\$ 180,786
Underground Natural Gas Storage Fund	D	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 7,000
Liquefied Natural Gas Siting Fund	D	\$ 400	\$ 400	\$ 400	\$ (200)	\$ 200
Design Review Fund	D	\$ -	\$ -	\$ -	\$ 200	\$ 200
Oil Spill Liability Trust Fund	D	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets	D	\$ (187,786)	\$ (187,786)	\$ (187,786)	\$ -	\$ (187,786)
<b>HAZARDOUS MATERIALS SAFETY</b>		\$ 74,556	\$ 74,556	\$ 74,556	\$ -	\$ 74,556
General Fund	D	\$ 74,556	\$ 74,556	\$ 74,556	\$ -	\$ 74,556
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>EMERGENCY PREPAREDNESS GRANTS</b>		\$ 27,936	\$ 44,156	\$ 44,156	\$ -	\$ 44,156
Emergency Preparedness Fund (Mandatory)	M	\$ 29,625	\$ 46,825	\$ 46,825	\$ -	\$ 46,825
Sequestration 1/ Rescissions		\$ (1,689)	\$ (2,669)	\$ (2,669)	\$ -	\$ (2,669)
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPERATIONAL EXPENSES</b>		\$ 31,681	\$ 31,681	\$ 31,681	\$ -	\$ 31,681
General Fund	D	\$ 31,681	\$ 31,681	\$ 31,681	\$ -	\$ 31,681
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Gross New Budget Authority</b>		\$ 352,359	\$ 368,579	\$ 368,579	\$ -	\$ 368,579
<b>Recissions</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transfers</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Offsets</b>		\$ (187,786)	\$ (187,786)	\$ (187,786)	\$ -	\$ (187,786)
<b>NET NEW BUDGET AUTHORITY REQUESTED:</b>		<u>\$ 164,573</u>	<u>\$ 180,793</u>	<u>\$ 180,793</u>	<u>\$ -</u>	<u>\$ 180,793</u>
[Mandatory BA]		\$ 27,936	\$ 44,156	\$ 44,156	\$ -	\$ 44,156
[Discretionary BA]		\$ 136,637	\$ 136,637	\$ 136,637	\$ -	\$ 136,637
<b>Supplemental Funding</b>						
IIJA Supplemental (Division J)		\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Natural Gas Distribution Infrastructure Safety & Modernization	D	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
<b>Grand Total, All Appropriations</b>		<u>\$ 364,573</u>	<u>\$ 380,793</u>	<u>\$ 380,793</u>	<u>\$ -</u>	<u>\$ 380,793</u>

1/ FY 2024 reflects sequestration of 5.7 percent of mandatory budget authority per Sequestration Order dated March 13, 2023. 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).

**EXHIBIT II-2**  
**FY 2026 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

		(A)	(B)	(C)	(D)	(E)
ACCOUNT NAME	M / D	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 BASELINE ESTIMATES	FY 2026 PROGRAM CHANGES	FY 2026 REQUEST (C+D)
<b>PIPELINE SAFETY</b>		\$ 218,186	\$ 218,186	\$ 218,186	\$ -	\$ 218,186
Pipeline Safety Fund	D	\$ 180,786	\$ 180,786	\$ 180,786	\$ -	\$ 180,786
Underground Natural Gas Storage Fund	D	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 7,000
Liquefied Natural Gas Siting Fund	D	\$ 400	\$ 400	\$ 400	\$ (200)	\$ 200
Design Review Fund	D	\$ -	\$ -	\$ -	\$ 200	\$ 200
Oil Spill Liability Trust Fund	D	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets	D	\$ (187,786)	\$ (187,786)	\$ (187,786)	\$ -	\$ (187,786)
<b>HAZARDOUS MATERIALS SAFETY</b>		\$ 74,556	\$ 74,556	\$ 74,556	\$ -	\$ 74,556
General Fund	D	\$ 74,556	\$ 74,556	\$ 74,556	\$ -	\$ 74,556
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>EMERGENCY PREPAREDNESS GRANTS</b>		\$ 27,936	\$ 44,156	\$ 44,156	\$ -	\$ 44,156
Emergency Preparedness Fund	M	\$ 29,625	\$ 46,825	\$ 46,825	\$ -	\$ 46,825
Sequestration 1/		\$ (1,689)	\$ (2,669)	\$ (2,669)	\$ -	\$ (2,669)
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPERATIONAL EXPENSES</b>		\$ 31,681	\$ 31,681	\$ 31,681	\$ -	\$ 31,681
General Fund	D	\$ 31,681	\$ 31,681	\$ 31,681	\$ -	\$ 31,681
Rescissions		\$ -	\$ -	\$ -	\$ -	\$ -
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Offsets		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Gross New Budgetary Resources</b>		\$ 352,359	\$ 368,579	\$ 368,579	\$ -	\$ 368,579
<b>Rescissions</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transfers</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Offsets</b>		\$ (187,786)	\$ (187,786)	\$ (187,786)	\$ -	\$ (187,786)
<b>TOTAL BUDGETARY RESOURCES:</b>		<u>\$ 352,359</u>	<u>\$ 368,579</u>	<u>\$ 368,579</u>	<u>\$ -</u>	<u>\$ 368,579</u>
[Mandatory]		\$ 27,936	\$ 44,156	\$ 44,156	\$ -	\$ 44,156
[Discretionary]		\$ 324,423	\$ 324,423	\$ 324,423	\$ -	\$ 324,423
[Obligation Limitation]		\$ 46,825	\$ 46,825	\$ 46,825	\$ -	\$ -
<b>Supplemental Funding</b>						
IIJA Supplemental (Division J)		\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Natural Gas Distribution Infrastructure Safety and Modernization	D	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
<b>Grand Total, All Appropriations</b>		<u>\$ 552,359</u>	<u>\$ 568,579</u>	<u>\$ 568,579</u>	<u>\$ -</u>	<u>\$ 568,579</u>

1/ FY 2024 reflects sequestration of 5.7 percent of mandatory budget authority per Sequestration Order dated March 13, 2023. 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).

**EXHIBIT II-4**  
**FY 2026 OUTLAYS**  
**Pipeline and Hazardous Materials Safety Administration**  
**(\$000)**

		(A)	(B)	(C)
	<b>M / D</b>	<b>FY 2024 ACTUAL</b>	<b>FY 2025 ENACTED</b>	<b>FY 2026 REQUEST</b>
<b>PIPELINE SAFETY</b>		<u>\$ 195,030</u>	<u>\$ 229,731</u>	<u>\$ 169,843</u>
Pipeline Safety Fund	<i>D</i>	\$ 160,689	\$ 201,405	\$ 137,024
Underground Natural Gas Storage Fu	<i>D</i>	5,401	6,769	4,605
Liquefied Natural Gas Siting Fund	<i>D</i>	-	-	-
Oil Spill Liability Trust Fund	<i>D</i>	28,940	21,556	28,213
<b>HAZARDOUS MATERIALS SAFETY</b>	<i>D</i>	79,650	73,429	89,948
<b>EMERGENCY PREPAREDNESS GRANTS</b>		<u>\$ 32,977</u>	<u>\$ 33,937</u>	<u>\$ 49,643</u>
Mandatory	<i>M</i>	32,977	33,937	49,643
Discretionary	<i>D</i>			
<b>OPERATIONAL EXPENSES</b>	<i>D</i>	\$ 32,029	\$ 33,273	\$ 34,707
<b>TOTAL</b>		<u><u>\$ 339,687</u></u>	<u><u>\$ 370,371</u></u>	<u><u>\$ 344,141</u></u>
Mandatory		32,977	33,937	49,643
Discretionary		306,710	336,433	294,498
<b>IIJA Supplemental (Division J)</b>	<i>D</i>	\$ 7,582	\$ 193,125	\$ 61,332
Natural Gas Distribution				
Infrastructure Safety and		7,582	193,125	61,332
<b>Grand Total, Outlays from all Appropriations</b>		<u><u>\$ 347,269</u></u>	<u><u>\$ 563,495</u></u>	<u><u>\$ 405,473</u></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 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
	FY 2024 Actual	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
PERSONNEL RESOURCES	622.0	622.0								(46.0)	(46.0)	-	(46.0)
Direct FTE	622.0	622.0								(46.0)	576.0	-	576.0
FINANCIAL RESOURCES													
OPERATIONS													
Salaries and Benefits	\$ 123,848	\$ 124,401	\$ 622	\$ -	\$ 28	\$ 479	\$ -	\$ -	\$ (9,051)	\$ 116,479	\$ -	\$ 116,479	
Travel	6,251	5,358	-	-	-	-	-	-	4	5,362	-	5,362	
GSA Rent	4,748	4,724	-	-	-	-	-	-	-	4,724	-	4,724	
Communications, & Utilities	604	604	-	-	-	-	-	-	-	604	-	604	
Other Services:													
-Other	12,771	14,734	-	-	-	-	-	-	(5,367)	9,367	5,000	14,367	
-WCF	21,255	20,979	-	-	-	-	-	36,134	-	57,113	-	57,113	
Supplies	535	535	-	-	-	-	-	-	-	535	-	535	
Equipment	984	985	-	-	-	-	-	-	3	988	-	988	
Operations Subtotal	\$ 170,996	\$ 172,320	\$ 622	\$ -	\$ 28	\$ 479	\$ -	\$ 36,134	\$ (14,411)	\$ 195,172	\$ 5,000	\$ 200,172	
PROGRAMS													
Contract Safety Programs													
Pipeline Safety	\$ 23,963	\$ 25,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,945)	\$ 8,583	\$ -	\$ 8,583	
Hazardous Materials Safety	9,551	8,551	-	-	-	-	-	-	(3,278)	5,273	-	5,273	
Natural Gas Distribution Infrastructure Safety and Modernization Grants	2,238	2,495	-	-	-	-	-	-	(50)	2,445	4,000	6,445	
Operational Expenses	5,164	5,164	-	-	-	-	-	-	(2,579)	2,585	-	2,585	
Contract Safety Programs Subtotal	\$ 40,916	\$ 41,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,852)	\$ 18,886	\$ 4,000	\$ 22,886	
Research and Development													
Pipeline Safety	\$ 12,500	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ 12,500	
Hazardous Materials Safety	7,570	7,570	-	-	-	-	-	-	-	7,570	-	7,570	
Research and Development Subtotal	\$ 20,070	\$ 20,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,070	\$ -	\$ 20,070	
Grants													
Pipeline Safety	\$ 89,558	\$ 89,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,558	\$ (5,000)	\$ 84,558	
Hazardous Materials Safety	3,500	2,000	-	-	-	-	-	-	-	2,000	-	2,000	
Emergency Preparedness Grants	26,819	42,393	-	-	-	-	-	-	-	42,393	-	42,393	
Natural Gas Distribution Infrastructure Safety and Modernization Grants	196,000	196,000	-	-	-	-	-	-	-	196,000	(4,000)	192,000	
Operational Expenses	4,500	4,500	-	-	-	-	-	-	-	4,500	-	4,500	
Grants Subtotal	\$ 320,377	\$ 334,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,451	\$ (9,000)	\$ 325,451	
Programs Subtotal	\$ 381,363	\$ 396,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,852)	\$ 373,407	\$ (5,000)	\$ 368,407	
TOTAL	\$ 552,359	\$ 568,579	\$ 622	\$ -	\$ 28	\$ 479	\$ -	\$ 36,134	\$ (37,263)	\$ 568,581	\$ -	\$ 568,579	

**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	FY 2024 Actual	FY 2025 Enacted	Baseline Changes							FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
			Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 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>345.0</b>	<b>345.0</b>	-	-	-	-	-	-	-	<b>336.0</b>	-	<b>336.0</b>
Direct FTE	345.0	345.0	-	-	-	-	-	-	(9.0)	336.0	-	336.0
<b>FINANCIAL RESOURCES</b>												
<b>OPERATIONS</b>												
Salaries and Benefits	\$ 68,148	\$ 68,148	\$ 341	\$ -	\$ -	\$ 262	\$ -	\$ -	(1,723)	\$ 67,028	\$ -	\$ 67,028
Travel	4,495	3,600	-	-	-	-	-	-	-	3,600	-	3,600
GSA Rent	3,087	3,087	-	-	-	-	-	-	-	3,087	-	3,087
Communications, & Utilities	278	278	-	-	-	-	-	-	-	278	-	278
Printing	-	-	-	-	-	-	-	-	-	-	-	-
Other Services:												
-Other	3,932	3,262	-	-	-	-	-	-	(985)	2,277	5,000	7,277
-WCF	11,204	11,204	-	-	-	-	-	19,050	-	30,254	-	30,254
Supplies	309	309	-	-	-	-	-	-	-	309	-	309
Equipment	712	712	-	-	-	-	-	-	-	712	-	712
<b>Operations Subtotal</b>	<b>\$ 92,165</b>	<b>\$ 90,600</b>	<b>\$ 341</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 262</b>	<b>\$ -</b>	<b>\$ 19,050</b>	<b>\$ (2,708)</b>	<b>\$ 107,545</b>	<b>\$ 5,000</b>	<b>\$ 112,545</b>
<b>PROGRAMS</b>												
<b>Contract Safety Programs</b>												
Liquefied Natural Gas Siting Reviews and Design Reveiws	\$ 400	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ 400
Compliance/Pipeline Integrity Management/Inspection Support	9,838	9,838	-	-	-	-	-	-	(6,266)	3,572	-	3,572
Training, Information & Community Assistance	8,050	8,050	-	-	-	-	-	-	(4,814)	3,236	-	3,236
National Pipeline and Other Mapping Systems	4,300	5,865	-	-	-	-	-	-	(5,865)	-	-	-
Implementing the Oil Pollution Act	1,375	1,375	-	-	-	-	-	-	-	1,375	-	1,375
<b>Contract Safety Programs Subtotal</b>	<b>\$ 23,963</b>	<b>\$ 25,528</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,945)</b>	<b>\$ 8,583</b>	<b>\$ -</b>	<b>\$ 8,583</b>
<b>Research &amp; Development</b>												
General Research	\$ 10,500	\$ 10,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,500	\$ -	\$ 10,500
Competitive Academic Agreement Program Research	2,000	2,000	-	-	-	-	-	-	-	2,000	-	2,000
<b>Research &amp; Development Subtotal</b>	<b>\$ 12,500</b>	<b>\$ 12,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,500</b>	<b>\$ -</b>	<b>\$ 12,500</b>
<b>Grants</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
State Damage Prevention Grants	1,500	1,500	-	-	-	-	-	-	-	1,500	-	1,500
<b>Grants Subtotal</b>	<b>\$ 89,558</b>	<b>\$ 89,558</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 89,558</b>	<b>\$ (5,000)</b>	<b>\$ 84,558</b>
<b>Programs Subtotal</b>	<b>\$ 126,021</b>	<b>\$ 127,586</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,945)</b>	<b>\$ 110,641</b>	<b>\$ (5,000)</b>	<b>\$ 105,641</b>
<b>TOTAL</b>	<b>\$ 218,186</b>	<b>\$ 218,186</b>	<b>\$ 341</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 262</b>	<b>\$ -</b>	<b>\$ 19,050</b>	<b>\$ (19,653)</b>	<b>\$ 218,186</b>	<b>\$ -</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)**

<b>Natural Gas Distribution Infrastructure Safety and Modernization Grant Program</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Unobligated Carryforward Balance, start of FY (+)	395,205	395,205	395,205
FY Advance Appropriations (Budget Authority) (+)	200,000	200,000	200,000
FY Planned Obligations (-)	(200,000)	(200,000)	(200,000)
Unobligated Balance, end of FY (+)	395,205	395,205	395,205
 <b>Planned Obligations by Fiscal Year</b>	 200,000	 200,000	 200,000
 <b>PERSONNEL RESOURCES (FTE)</b>			
Direct FTE	8	8	8
 <b>FINANCIAL RESOURCES</b>			
<b>ADMINISTRATIVE EXPENSES</b>			
Salaries and Benefits	1,184	1,222	1,261
Travel	96	98	102
GSA Rent	24	0	0
Communications, & Utilities	0	0	0
Printing	0	0	0
Other Services:			
-Other	110	112	116
-WCF	276	0	0
Supplies	0	0	0
Equipment	72	73	76
<b>Admin Subtotal</b>	<b>\$1,762</b>	<b>\$1,505</b>	<b>\$1,555</b>
 <b>PROGRAMS</b>			
<b>Safety Programs</b>			
Pipeline Infrastructure Modernization - Contract Safety	2,238	2,495	2,445
<b>Grants</b>			
Natural Gas Distribution Infrastructure Safety and Modernization	196,000	196,000	196,000
 <b>Programs Subtotal</b>	<b>\$198,238</b>	<b>\$198,495</b>	<b>\$198,445</b>
 <b>IIJA/IRA TOTAL</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>

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

	Baseline Changes												
	FY 2024 Actual	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request	
Hazardous Materials Safety Account													
PERSONNEL RESOURCES (FTE)	197.0	197.0	-	-	-	-	-	-		(5.0)	192.0	-	192.0
Direct FTE	197.0	197.0	-	-	-	-	-	-		(5.0)	192.0	-	192.0
FINANCIAL RESOURCES													
Operations													
Salaries and Benefits	\$ 39,532	\$ 39,532	\$ 198	\$ -	\$ -	\$ 152	\$ -	\$ -	\$ (1,177)	\$ 38,705	\$ -	\$ 38,705	
Travel	1,599	1,599	-	-	-	-	-	-	-	\$ 1,599	\$ -	1,599	
GSA Rent	1,637	1,637	-	-	-	-	-	-	-	\$ 1,637	\$ -	1,637	
Communications, & Utilities	180	180	-	-	-	-	-	-	-	\$ 180	-	180	
Other Services:										\$ -		-	
-Other	3,073	5,573	-	-	-	-	-	-	(4,386)	\$ 1,187	\$ -	1,187	
-WCF	7,643	7,643	-	-	-	-	-	8,491		\$ 16,134	-	16,134	
Supplies	112	112	-	-	-	-	-	-	-	\$ 112	-	112	
Equipment	159	159	-	-	-	-	-	-	-	\$ 159	\$ -	159	
Operations Subtotal	\$ 53,935	\$ 56,435	\$ 198	\$ -	\$ -	\$ 152	\$ -	\$ 8,491	\$ (5,563)	\$ 59,713	\$ -	\$ 59,713	
PROGRAMS													
Contract Safety Programs													
Hazmat Information and Analysis	\$ 2,017	\$ 2,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(1,644)	373	\$ -	373	
Investigation and Enforcement	3,307	3,307	-	-	-	-	-	-	(1,634)	1,673	-	1,673	
Outreach, Training and Compliance	3,593	2,593	-	-	-	-	-	-	-	2,593	-	2,593	
Hazmat Registration Program	634	634	-	-	-	-	-	-	-	634	-	634	
Contract Safety Programs Subtotal	9,551	8,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(3,278)	\$ 5,273	\$ -	\$ 5,273	
Research & Development													
Research & Development Subtotal	\$ 7,570	\$ 7,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	7,570	\$ -	\$ 7,570	
Grants													
Hazardous Materials State Inspection Grant Program	\$ 2,500	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 1,000	\$ -	\$ 1,000	
Community Safety Grants	1,000	1,000	-	-	-	-	-	-	-	1,000	-	1,000	
Grants Subtotal	\$ 3,500	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 2,000	\$ -	\$ 2,000	
Programs Subtotal	20,621	18,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(3,278)	\$ 14,843	\$ -	\$ 14,843	
TOTAL	74,556	74,556	\$ 198	\$ -	\$ -	\$ 152	\$ -	\$ 8,491	\$ (8,841)	\$ 74,556	\$ -	\$ 74,556	

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 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
	FY 2024 Actual	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base					
PERSONNEL RESOURCES (FTE)	72.0	72.0	-	-	-	-	-	-	-	-	40.0	-	40.0	
Direct FTE	72.0	72.0	-	-	-	-	-	-	-	(32.0)	40.0	-	40.0	
FINANCIAL RESOURCES														
Operations														
Salaries and Benefits 1/	\$ 14,984	\$ 15,499	\$ 77	\$ -	\$ -	\$ 60	\$ -	\$ -	(6,151)	\$ 9,485	\$ -	\$ 9,485		
Travel	61	61	-	-	-	-	-	-	-	61	-	61		
GSA Rent	-	-	-	-	-	-	-	-	-	-	-	-		
Communications & Utilities	146	146	-	-	-	-	-	-	-	146	-	146		
Other Services:														
-Other	4,539	4,024	-	-	-	-	-	-	-	4,024	-	4,024		
-WCF	2,132	2,132	-	-	-	-	-	8,593	-	10,725	-	10,725		
Supplies	114	114	-	-	-	-	-	-	-	114	-	114		
Equipment	41	41	-	-	-	-	-	-	-	41	-	41		
Operations Subtotal	\$ 22,017	\$ 22,017	\$ 77	\$ -	\$ -	\$ 60	\$ -	\$ 8,593	\$ (6,151)	\$ 24,596	\$ -	\$ 24,596		
PROGRAMS														
Contract Safety Programs														
Information Technology and Modernization	\$ 5,164	\$ 5,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,164)	\$ -	\$ -	\$ -		
Data & Analysis	0	0	-	-	-	-	-	-	2,585	2,585	-	2,585		
Contract Safety Programs Subtotal	\$ 5,164	\$ 5,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,579)	\$ 2,585	\$ -	\$ 2,585		
Grants														
Information Grants to Communities	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ 2,000		
Emergency Response Grants	2,500	2,500	-	-	-	-	-	-	-	2,500	-	2,500		
Grants Subtotal	\$ 4,500	\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500	\$ -	\$ 4,500		
Programs Subtotal	\$ 9,664	\$ 9,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,579)	\$ 7,085	\$ -	\$ 7,085		
TOTAL	\$ 31,681	\$ 31,681	\$ 77	\$ -	\$ -	\$ 60	\$ -	\$ 8,593	\$ (8,730)	\$ 31,681	\$ -	\$ 31,681		

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

Emergency Preparedness Account	FY 2024 Actual	FY 2025 Enacted	Baseline Changes							FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
			Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base			
<b>PERSONNEL RESOURCES (FTE)</b>	-	-	-	-	-	-	-	-	-	-	-	-
Direct FTE	-	-	-	-	-	-	-	-	-	-	-	-
<b>FINANCIAL RESOURCES</b>												
<b>Operations</b>												
Other Services:	\$ 1,117	\$ 1,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,763	\$ 1,763
<b>Operations Subtotal</b>	<b>\$ 1,117</b>	<b>\$ 1,763</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,763</b>	<b>\$ 1,763</b>
<b>PROGRAMS</b>												
Hazardous Materials Emergency Preparedness Grants	\$ 19,488	\$ 35,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,062	\$ -	\$ 35,062
Hazardous Materials Instructor Training (HMIT) Grants	4,715	4,715	-	-	-	-	-	-	-	4,715	(3,000)	1,715
Supplemental Public Sector Training Grants	1,886	1,886	-	-	-	-	-	-	-	1,886	-	1,886
Assistance for Local Emergency Response Training (ALERT)	-	-	-	-	-	-	-	-	-	-	-	-
Community Safety Grants	-	-	-	-	-	-	-	-	-	-	3,000	\$3,000
Technical Assistance	141	141	-	-	-	-	-	-	-	141	-	\$141
Emergency Response Guidebook	589	589	-	-	-	-	-	-	-	589	-	\$589
<b>Programs Subtotal</b>	<b>\$ 26,819</b>	<b>\$ 42,393</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,393</b>	<b>\$ -</b>	<b>\$ 42,393</b>
<b>TOTAL 1/</b>	<b>\$ 27,936</b>	<b>\$ 44,156</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,156</b>	<b>\$ -</b>	<b>\$ 44,156</b>

1/ FY 2024 amounts represent the estimate of amounts collected and available as budget authority. 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.

**EXHIBIT II-6**  
**WORKING CAPITAL FUND**  
**Pipeline and Hazardous Materials Safety Administration**  
**(\$000)**

	<b>FY 2024 ENACTED</b>	<b>FY 2025 ENACTED</b>	<b>FY 2026 REQUEST</b>
<b>DIRECT:</b>			
Pipeline Safety All	\$ 11,204	\$ 12,769	\$ 30,254
Pipeline Safety Other	2,810	3,188	4,336
Pipeline Safety IT and IT Commodity Shared Services	7,094	7,704	24,025
Pipeline Safety Rent	1,300	1,877	1,893
 Hazardous Materials Safety All	 \$ 6,539	 \$ 7,452	 \$ 16,134
Hazardous Materials Safety Other	1,640	1,861	2,355
Hazardous Materials Safety IT and IT Commodity Shared Services	4,140	4,496	12,675
Hazardous Materials Safety Rent	759	1,095	1,105
 Operational Expenses All	 \$ 2,132	 \$ 2,519	 \$ 10,725
Operational Expenses Other	535	629	4,787
Operational Expenses IT and IT Commodity Shared Services	1,350	1,520	5,564
Operational Expenses Rent	247	370	373
 <b>SUBTOTAL</b>	 <b>\$ 19,875</b>	 <b>\$ 22,739</b>	 <b>\$ 57,113</b>
 <b>TOTAL, Base programs</b>	 <b>\$ 19,875</b>	 <b>\$ 22,739</b>	 <b>\$ 57,113</b>
 <b>SUPPLEMENTAL FUNDING</b>			
IIJA Supplemental (Division J) Subtotal	\$ 276	\$ -	\$ -
Natural Gas Distribution Infrastructure Safety & Modernization All	276	-	-
Natural Gas Distribution Infrastructure Safety & Modernization Other	69	-	-
Natural Gas Distribution Infrastructure Safety & Modernization IT and IT Commodity Shared Services	175	-	-
Natural Gas Distribution Infrastructure Safety & Modernization Rent	32	-	-
 <b>Total, All Sources</b>	 <b>\$ 20,151</b>	 <b>\$ 22,739</b>	 <b>\$ 57,113</b>

**EXHIBIT II-7**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**PERSONNEL RESOURCE -- SUMMARY**  
**TOTAL FULL-TIME EQUIVALENTS**

	<b><u>FY 2024</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 2025</u></b> <b><u>ENACTED</u></b>	<b><u>FY 2026</u></b> <b><u>REQUEST</u></b>
<b><u>DIRECT FUNDED BY APPROPRIATION</u></b>			
Pipeline Safety	345.0	345.0	336.0
Hazardous Materials Safety	197.0	197.0	192.0
Operational Expenses	72.0	72.0	40.0
SUBTOTAL, DIRECT FUNDED	<u>614.0</u>	<u>614.0</u>	<u>568.0</u>
<b>BASE TOTAL FTEs</b>	<b><u>614.0</u></b>	<b><u>614.0</u></b>	<b><u>568.0</u></b>
<b><u>SUPPLEMENTAL FUNDED FTE's</u></b>			
IIJA Supplemental Funding			
Natural Gas Distribution Infrastructure Safety & Modernization	8.0	8.0	8.0
SUBTOTAL, Supplemental Funded	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
<b>TOTAL FTEs</b>	<b><u>622.0</u></b>	<b><u>622.0</u></b>	<b><u>576.0</u></b>

**EXHIBIT II-8**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**RESOURCE SUMMARY – STAFFING**  
**FULL-TIME PERMANENT POSITIONS**

	<b><u>FY 2024 ACTUAL</u></b>	<b><u>FY 2025 ENACTED</u></b>	<b><u>FY 2026 REQUEST</u></b>
<b><u>DIRECT FUNDED BY APPROPRIATION</u></b>			
Pipeline Safety	365	365	356
Hazardous Materials Safety	213	213	208
Operational Expenses	72	72	40
<b>SUBTOTAL, DIRECT FUNDED</b>	<b>650</b>	<b>650</b>	<b>604</b>
<b>BASE TOTAL POSITIONS</b>	<b><u>650</u></b>	<b><u>650</u></b>	<b><u>604</u></b>
<b><u>SUPPLEMENTAL FUNDED FTP's</u></b>			
IIJA Supplemental Funding			
Natural Gas Distribution Infrastructure Safety & Modernization	8	8	8
<b>SUBTOTAL, Supplemental Funded</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>TOTAL POSITIONS</b>	<b><u>658</u></b>	<b><u>658</u></b>	<b><u>612</u></b>

**EXHIBIT III-1a**

**All PHMSA ACCOUNTS  
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

	<u><b>\$000</b></u>	<u><b>FTE</b></u>
<b>FY 2025 ENACTED 1/</b>	<u><b>\$568,579</b></u>	<u><b>622.0</b></u>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of FY 2025 FTE	0	
Annualization of Prior Pay Raise(s)	622	0.0
FY 2026 Pay Raise	28	
GSA Rent	0	
Adjustment for Compensable Days (261 days)	479	
Working Capital Fund	36,134	
Non-Pay Inflation and Other Adjustments to Base	-37,263	-46
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<u><b>\$0</b></u>	<u><b>-46.0</b></u>
<b>PROGRAM REDUCTIONS</b>		
<b>Pipeline Safety</b>		
Underground Natural Gas Storage Grants	-5,000	
<b>Pipeline Safety Subtotal</b>	<u><b>-\$5,000</b></u>	<u><b>0.0</b></u>
<b>Emergency Preparedness Grants</b>		
Hazardous Materials Instructor Training (HMIT) Grants	-3,000	
<b>Emergency Preparedness Grants Subtotal</b>	<u><b>-\$3,000</b></u>	<u><b>0.0</b></u>
<b>SUBTOTAL, PROGRAM REDUCTIONS</b>	<u><b>-\$8,000</b></u>	<u><b>0.0</b></u>
<b>PROGRAM INCREASES</b>		
<b>Pipeline Safety</b>		
Operations - Other Services	5,000	
<b>Pipeline Safety Subtotal</b>	<u><b>\$5,000</b></u>	<u><b>0.0</b></u>
<b>Emergency Preparedness Grants</b>		
Community Safety Grants	3,000	
<b>Emergency Preparedness Grants Subtotal</b>	<u><b>\$3,000</b></u>	<u><b>0.0</b></u>
<b>SUBTOTAL, PROGRAM INCREASES</b>	<u><b>\$8,000</b></u>	<u><b>0.0</b></u>
<b>FY 2026 REQUEST</b>	<u><b>\$568,579</b></u>	<u><b>576.0</b></u>

1/ FY 2025 Enacted FTE is the actual level from FY 2024.



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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, [2027] 2028, 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 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; 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[: Provided, That not less than \$1,058,000 of the amounts made available under this heading shall be for the One-Call State grant program: Provided further, That any amounts made available under this heading in this Act or in prior Acts for research contracts, grants, cooperative agreements or research other transactions agreements (OTAs) shall require written notification to the House and Senate Committees on Appropriations not less than 3 full business days before such research contracts, grants, cooperative agreements, or research OTAs are announced by the Department of Transportation: Provided further, That the Secretary shall transmit to the House and Senate Committees on Appropriations the report on pipeline safety testing enhancement as required pursuant to section 105 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020 (division R of Public Law 116-260): Provided further, That the Secretary may obligate amounts made available under this heading to engineer, erect, alter, and repair buildings or make any other public improvements for research facilities at the Transportation Technology Center after the Secretary submits an updated research plan and the report in the preceding proviso to the House and Senate Committees on Appropriations and after such plan and report in the preceding proviso are approved by the House and Senate Committees on Appropriations].

## **What is the goal of the Pipeline Safety program and what does this funding level support?**

### **PHMSA Oversees the Nation's Network of Pipelines and Related Energy Facilities**

PHMSA's pipeline safety program promotes the safe delivery of over two-thirds of energy products to market. Since 2000, the nation's energy production has more than doubled and the United States operates one of the most expansive networks of energy pipelines in the world.

PHMSA carries out its safety mission through policy making, such as promulgating regulations on the design, construction, operation, and maintenance of pipelines, in addition to onsite inspections of pipeline operator performance against regulations. PHMSA's oversight program includes Federal and State safety inspections on over 3.3 million miles of pipelines, 8,539 breakout tanks, 176 liquefied natural gas plants, and 396 underground natural gas storage facilities. PHMSA oversees the safe operation of 266,297 miles of hazardous liquid pipelines; 300,779 miles of gas transmission pipelines; nearly 2.4 million miles of gas distribution mains and services; and 379,041 miles of gas gathering pipelines. Some of these pipelines are part of an aging infrastructure network, and traverse near population centers, through cities and neighborhoods.

### **PHMSA's National Center of Excellence for Liquefied Natural Gas Safety (Center)**

Demand for natural gas is growing in the United States and worldwide, resulting in the United States becoming the world's leading LNG exporter. This demand will continue to grow into FY 2026, as the Energy Information Administration's latest Annual Energy Outlook (2023) reference case projects U.S. LNG exports to increase 152 percent between 2022 and 2050.

Beginning with the FY 2023 Consolidated Appropriations Act, Congress provided funding for PHMSA to establish a Center of Excellence for LNG Safety (Center), to 1) further Federal Government expertise in LNG operations, management, and regulatory practices; 2) create a repository of information on best practices for LNG facility operators and all potential stakeholders; and 3) increase LNG sector stakeholder collaboration. Funding the Center will allow PHMSA to continue LNG safety research and enable PHMSA to be a centralized collaborator with LNG sector stakeholders, as defined in Section 111 of the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2016. This collaboration will result in cooperative research with academic and private-sector partners, as well as national laboratories and nongovernmental organizations to further LNG safety technology development and implementation.

**EXHIBIT III-1**  
**PIPELINE SAFETY**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<b>FY 2024 ACTUAL</b>	<b>FY 2025 ENACTED 1/</b>	<b>FY 2026 REQUEST</b>
Operations	\$ 116,128	\$ 116,128	\$ 121,128
Research and Development	\$ 12,500	\$ 12,500	\$ 12,500
Grants	\$ 89,558	\$ 89,558	\$ 84,558
<b>TOTAL, Base appropriations</b>	<b>\$ 218,186</b>	<b>\$ 218,186</b>	<b>\$ 218,186</b>
FTEs			
Direct Funded	345.0	345.0	336.0

1/ FY 2025 Enacted FTE is the actual level from FY 2024.

**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 emerging fuel 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 operational 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.

**SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>FY 2025 ENACTED</b>	<b><u>\$000</u></b> <b>\$218,186</b>	<b><u>FTE</u></b> <b>345.0</b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of FY 2025 FTE	0	
Annualization of Prior Pay Raise(s)	341	
FY 2026 Pay Raise	0	
GSA Rent	0	
Adjustment for Compensable Days (261 days)	262	
Working Capital Fund	19,050	
Non-Pay Inflation and Other Adjustments to Base	-19,653	-9.0
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>-9.0</b>
<b>PROGRAM INCREASES</b>		
Operations - Other Services	5,000	
<b>SUBTOTAL, PROGRAM INCREASES</b>	<b>\$5,000</b>	<b>0.0</b>
<b>PROGRAM DECREASES</b>		
Underground Natural Gas Storage Grants	-5,000	
<b>SUBTOTAL, PROGRAM DECREASES</b>	<b>-5,000</b>	<b>0.0</b>
<b>FY 2026 REQUEST</b>	<b>\$218,186</b>	<b>336.0</b>
<b>TOTAL</b>	<b>\$218,186</b>	<b>336.0</b>

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## Detailed Justification for the Pipeline Safety Program

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### FY 2026 – Pipeline Safety Program Budget Request (\$000)

Program Activity	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Operations	\$ 92,165	\$ 90,600	\$ 112,545
Contract Safety Programs	23,963	25,528	8,583
Research and Development	12,500	12,500	12,500
Grants	89,558	89,558	84,558
<b>Total</b>	<b>\$ 218,186</b>	<b>\$ 218,186</b>	<b>\$ 218,186</b>
<b>FTEs</b>	<b>345.0</b>	<b>345.0</b>	<b>336.0</b>

#### Operations: \$112.5 million

PHMSA's pipeline safety program request for FY 2026 funds 336 FTE. This is the actual number of FTE from FY 2024 minus nine support staff that are part of a planned consolidation into the Working Capital Fund (WCF). This covers costs of salaries, benefits, travel, training, supplies, and equipment (including personal protective equipment). Of the 336 FTE, 254 are inspection and enforcement working across the country through a network of regional offices. The remaining staff are subject matter experts in engineering, research and development, rulemaking, enforcement, and administrative support staff.

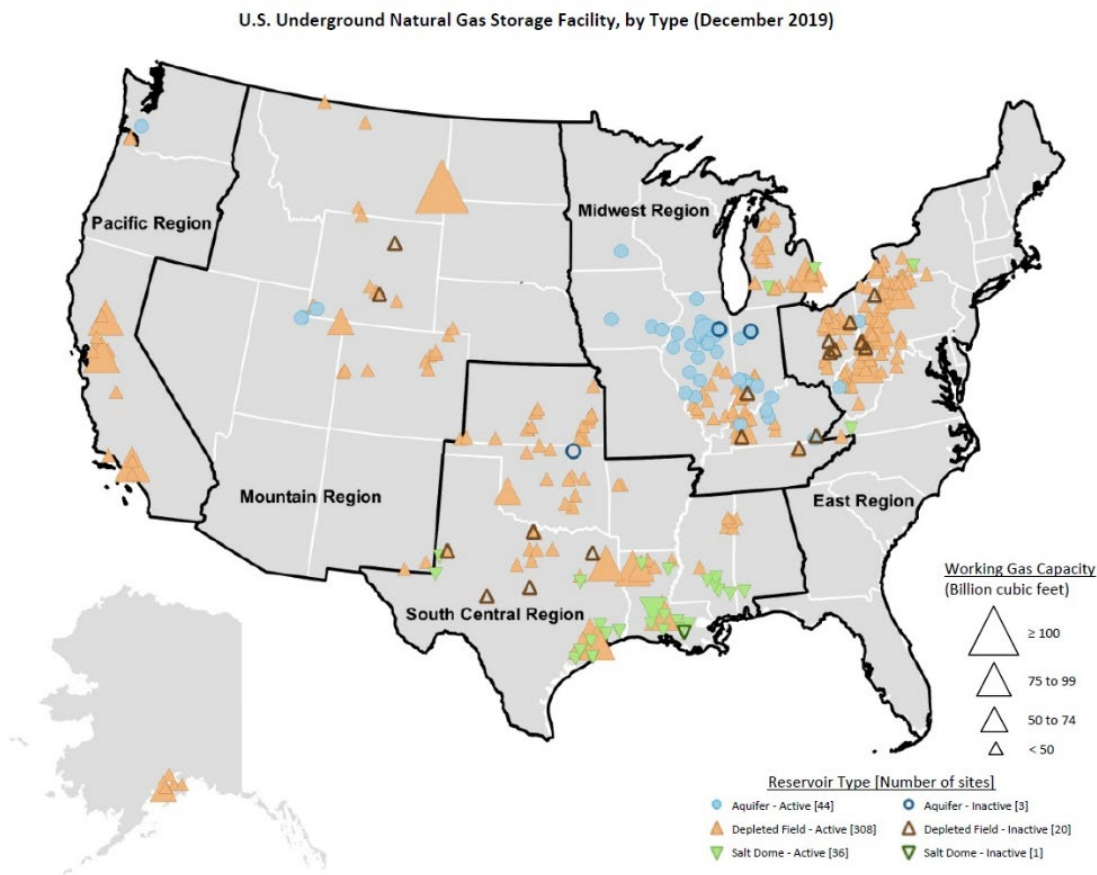
The FY 2026 President's Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions and program funding supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the WCF. This realignment is reflected by a decrease in program resources, which is offset by a corresponding increase to WCF expenses.

PHMSA's Office of Pipeline Safety (OPS) is headquartered in Washington, D.C., with field offices across the nation in locations such as: West Trenton, New Jersey; Atlanta, Georgia; Houston, Texas; Lakewood, Colorado; and Anchorage, Alaska. PHMSA also operates a national training center and accident investigation office in Oklahoma City, Oklahoma. OPS staff conducts inspections, investigations, outreach, regulatory, and enforcement activities. It also works alongside its State partners and participates in spill response drills led by other Federal agencies and petroleum pipeline operators.



Federal and State inspectors are at the front lines of pipeline safety, enforcing regulations along the nation's 3.3 million miles of pipeline network. The Inspector Training and Qualifications Division (TQ), provides over 660 Federal and State inspectors with the nation's only specialized training for understanding and applying Federal PSRs and standards incorporated by reference.

PHMSA oversees nearly 400 underground natural gas storage facilities in 31 States. Fourteen states participate in PHMSA's underground natural gas storage grant program leaving PHMSA responsible for inspection of facilities in the remaining states.



PHMSA continues to complete a robust regulatory agenda with demonstrated results. Moving forward, PHMSA will remove unnecessary and overly burdensome regulations that stifle innovation and restrict American energy. These efforts will also improve safety. Some core regulatory priorities include improving the repair criteria for hazardous liquid and natural gas pipelines; updating minimum safety standards for LNG facilities; and completing the rulemaking related to class location changes.

PHMSA evaluates proposed LNG plants' siting, design, and construction records as part of its safety oversight during the construction phase, and operational and maintenance plans and records as part of its compliance inspections during facility operation. Successful collaboration

between PHMSA, Federal Energy Regulatory Commission (FERC), and the U.S. Coast Guard has resulted in increased safety of U.S. LNG export facilities.

Section 110 of the PIPES Act of 2020 mandated that PHMSA review the minimum operating and maintenance standards specified in 49 U.S.C. 60103(d) and use the results of the review to update the standards applicable to large-scale LNG plants no later than three years after the date of the Act. PHMSA is currently reviewing its operations and maintenance regulations under 49 CFR Part 193 along with other requirements regarding location, design, construction, fire protection, security, and personnel training relative to LNG plants. PHMSA will use the results of the review to update LNG facility regulations in FY 2026.

Regarding the Congressionally authorized LNG Center of Excellence (Center), PHMSA held an informational webinar that provided an overview of the Center's mission and purpose and has since incorporated stakeholder input to enhance its usefulness to the LNG industry and regulatory community. The Center will be located in Lake Charles, Louisiana near critical LNG transportation infrastructure and connected to the Gulf of America. PHMSA is in the early stages of establishing the Center's physical location, and this work will continue into FY 2026 and future fiscal years.

PHMSA anticipates the cost to operate the Center will exceed \$2.4 million as development of the Center continues. Accordingly for FY 2026, PHMSA requests that \$1 million be re-purposed from the research funding line item towards operational costs for the Center and, if appropriated, the Center will use this funding for staff and resources to successfully execute the research program as a primary function with the Center.

#### **Contract Safety Programs: \$8.6 million**

Contracts for pipeline safety programs support PHMSA's inspection, investigation, and enforcement activities, helping to ensure the safe movement of hazardous materials through the nation's pipelines. Specifically, PHMSA collects and analyzes data to inform safety standards, and trains both Federal and State inspection and enforcement staff. Funds also support PHMSA's efforts to increase communication with communities most impacted by pipelines, excavation damage prevention efforts, and the review of special permits.

**Compliance/Pipeline Integrity Management/Inspection Support, \$3.6 million:** PHMSA issues safety regulations that operators must follow to properly design, construct, operate, and maintain their pipelines. PHMSA conducts compliance inspections of more than 560 unique pipeline operators, many of which operate multiple pipeline systems. Additionally, operators must regularly update their pipeline integrity management plans to assess the condition of their pipelines and implement preventative and mitigative actions to ensure safety and prevent incidents that could injure people, harm property, or impact the health and safety of communities, such as impacting drinking water.

PHMSA's National Pipeline Mapping System (NPMS) is designed to assist federal, state, and local government officials as well as pipeline operators with displaying and querying data related to gas transmission and hazardous liquid pipelines, liquefied natural gas plants, and breakout

tanks. In the PIPES Act of 2011, Congress mandated PHMSA to provide high consequence area geographic information systems (GIS) data sets to pipeline operators once every two years.

**Training, Information, and Community Assistance Services, \$3.2 million:** PHMSA uses this funding to support inspector training and qualification, as well as other training, workshops, information-sharing meetings, and community assistance services. The agency engages with and facilitates communication among pipeline stakeholders, including the public, landowners impacted by pipelines, operators, government, and elected officials.

PHMSA continues to encourage the voluntary use of Pipeline Safety Management Systems (PSMS), as stipulated in an advisory bulletin published on March 25, 2025. This is consistent with Section 205 of the PIPES Act of 2020, which mandated that the Secretary and the relevant State authorities promote and assess PSMS frameworks based on guidance and recommendations obtained from a report also mandated by Section 205. In FY 2026, PHMSA will expand national outreach efforts to advance PSMS implementation and promote a “safety first” culture.

**Implementing the Oil Pollution Act, \$1.4 million:** The 1990 Oil Pollution Act (OPA 90) requires that operators who store, handle, or transport oil maintain spill response plans and have adequate resources to minimize the impact of oil spills. PHMSA’s review and approval of oil spill response plans identifies errors and assists pipeline operators to better plan and implement improvements to response procedures before, during, and after an oil spill. PHMSA reviews response plans submitted by operators of onshore oil pipelines to ensure compliance, maintaining approximately 540 active response plans, and completing reviews on 481 plans annually. PHMSA approves compliant plans and requires operators with deficient plans to make corrections. The agency reviews all corrected plans before issuing an approval.

The National Preparedness for Response Program (PREP) establishes a program for pipeline operators to meet exercise requirements under OPA 90-mandated Federal oil pollution response exercise requirements. These exercises allow PHMSA to evaluate preparedness and response plan procedures and capabilities, identify best practices and opportunities for improvement, and implement improvement plans. PHMSA expects to engage in a minimum of 20 PREP exercises in FY 2026.

**Liquefied Natural Gas Facility Safety Reviews:** PHMSA determines whether the siting, design, construction, operations, maintenance, personnel qualification and training, fire protection, and security of certain LNG plants comply with pipeline safety standards. Recent growth in the production of natural gas for consumption in the United States and for export has contributed to the expansion of liquefaction facilities and transportation of liquefied natural gas. There are 172 LNG plants operating in the United States. PHMSA is responsible for ensuring these and future plants operate safely and in compliance with Federal regulations.

#### **Research & Development: \$12.5 million**

The Pipeline Safety Research and Development (R&D) Program carries out its mission and supports the Administration’s priorities through research awards to improve the safety of the nation’s pipeline transportation system. PHMSA employs a coordinated and collaborative

approach to address pipeline safety challenges, focusing on removing technical and regulatory barriers and delivering measured research results. PHMSA's R&D solicitations will fall into the following priority areas: preventing pipeline damage, threat/anomaly detection and characterization, verification of materials and strain capacity, technologies to prevent overpressure in LNG facilities, and innovative technologies to detect leaks on hazardous liquid pipelines. PHMSA periodically holds R&D forums to help generate a national research agenda; PHMSA's next R&D Forum is tentatively planned for the Fall 2025.

Research and development projects are co-funded with the private sector and academia, fully funded by PHMSA, or co-funded with other Federal agencies. PHMSA gives preference to projects likely to bring a product to market within five years.

### **Grants: \$84.6 million**

PHMSA provides grants to States to support inspection and enforcement activities on intrastate pipelines, including pipelines that operate in cities and neighborhoods. This partnership supports State inspection programs as part of the Secretary's safety oversight of the nation's pipeline infrastructure.

**State Pipeline Safety Grants, \$82.0 million:** The State Pipeline Safety Grant program supports state inspections of intrastate pipeline facilities (approximately 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, \$1.5 million:** State Damage Prevention Grants were designed with a two-fold purpose: 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.

**State One-Call Grants, \$1.1 million:** The State One-Call Grant program improves safety by helping notify excavators 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:** For FY 2026 PHMSA will realign this funding to support all costs for an Underground Natural Gas Storage (UNGS) safety program. This can include operations, contracts, or research. PHMSA has identified the UNGS state grants can be funded by carryover balances in FY 2026. This will allow the \$5 million requested in previous years to fund other costs.

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

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The requested funding will provide PHMSA with resources to support the safe delivery of energy and other products by more than 3.3 million miles of pipelines. The combination of improving existing infrastructure and continuing groundbreaking, evidence-based research and development is anticipated to enhance pipeline safety and resilience in an effort to unleash American energy.

# **Oil Spill Liability Trust Fund**

## **APPROPRIATIONS EXPLANATION**

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

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

Background: The Oil Spill Liability Trust Fund (OSLTF) was created by the United States Congress 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 costs of the Office of Pipeline Safety program including all oil spill response activities.

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

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The Oil Spill Liability Trust Fund (OSLTF) was created by Congress 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 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 2026, the OSLTF will contribute \$30.0 million to the overall Pipeline Safety Program. The amount funds any cost PHMSA incurs to set safety standards and check safe operation of hazardous liquids pipeline operations. Disbursements from the OSLTF are restricted to costs associated with hazardous liquid pipeline activities specifically related to petroleum or petroleum products, nonpetroleum fuel, or other substances that pose an unreasonable risk when transported by a hazardous liquid pipeline facility in a liquid state. As such, the share of disbursements from the fund have shifted towards operational costs over time as applicable R&D and grant needs have decreased.



**EXHIBIT III-1**  
**OIL SPILL LIABILITY TRUST FUND**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<b>FY 2024 ACTUAL</b>	<b>FY 2025 ENACTED</b>	<b>FY 2026 REQUEST</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. In addition, PHMSA 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 Oil Spill Liability Trust Fund.

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# **Natural Gas Distribution Infrastructure Safety and Modernization Grants**

## **APPROPRIATIONS LANGUAGE**

### **NATURAL GAS DISTRIBUTION INFRASTRUCTURE SAFETY AND MODERNIZATION GRANT PROGRAM (INCLUDING TRANSFER OF FUNDS)**

Background: The Natural Gas Distribution Infrastructure Safety and Modernization Grant Program was authorized and appropriated by the Infrastructure Investment and Jobs Act (P.L. 117-58) to help fund efforts by municipality or community owned utility operators (not including for-profit entities) to repair, rehabilitate, or replace its natural gas distribution pipeline systems or to acquire equipment to (1) reduce incidents and fatalities and (2) to avoid economic losses.

**EXHIBIT III-1**  
**NATURAL GAS DISTRIBUTION INFRASTRUCTURE SAFETY AND**  
**MODERNIZATION GRANT**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<u>FY 2024 ACTUAL</u>	<u>FY 2025 ENACTED 1/</u>	<u>FY 2026 REQUEST</u>
<b>IIJA Supplemental (Division J)</b>			
Operations	\$ 4,000	\$ 4,000	\$ 4,000
Research and Development	\$ -	\$ -	\$ -
Grants	\$ 196,000	\$ 196,000	\$ 196,000
<b>TOTAL, Base Appropriations</b>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
FTEs			
Direct Funded	8.0	8.0	8.0

1/ FY 2025 Enacted FTE is the actual level from FY 2024.

**Program and Performance Statement**

The Infrastructure Investment and Jobs Act of 2021 (IIJA) provided funding for the Natural Gas Distribution Infrastructure Safety and Modernization Grant Program. Grant funds are made available to municipally or community-owned utility operators (not including for-profit entities) to repair, rehabilitate, or replace its natural gas distribution pipeline system or portions thereof or to acquire equipment to (1) reduce incidents and fatalities and (2) avoid economic losses. With the repair, rehabilitation, or replacement of legacy gas distribution pipelines, these systems will operate more safely, lower gas bills for consumers and will serve as the building blocks of the infrastructure to transport fuels of the future.

**EXHIBIT III-1a**

**Natural Gas Distribution Infrastructure Safety and Modernization Grant Program**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026**

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

**(\$000)**

	<b><u>\$000</u></b>	<b><u>FTE</u></b>
<b>FY 2025 ENACTED</b>	<b>\$200,000</b>	<b>8.0</b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of FY 2025 FTE	6	
Annualization of Prior Pay Raise(s)	0	
FY 2026 Pay Raise	28	
GSA Rent	0	
Adjustment for Compensable Days (261 days)	5	
Working Capital Fund	0	
Non-Pay Inflation and Other Adjustments to Base	-39	
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2026 REQUEST</b>	<b>\$200,000</b>	<b>8.0</b>

**Detailed Justification for the Natural Gas Distribution Infrastructure Safety and Modernization Grant Program**

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**FY 2026 – Program Budget Request  
(\$000)**

<b>Program Activity</b>	<b>FY 2024 ACTUAL</b>	<b>FY 2025 ENACTED</b>	<b>FY 2026 REQUEST</b>
Operations	\$ 4,000	\$ 4,000	\$ 4,000
Grants	196,000	196,000	196,000
<b>Total</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>FTEs</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

**What Is This Program and What Does the Funding Level Support?**

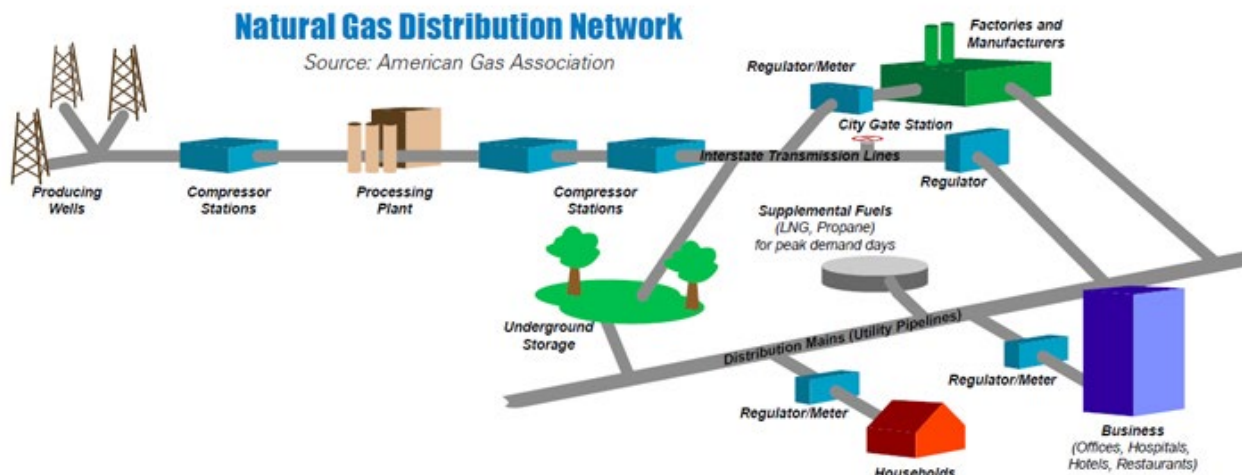
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**Key Request Highlights:** Continued funding to support the repair, rehabilitation, or replacement of aging natural gas distribution pipeline infrastructure. This funding will result in the modernization of over 200 miles of pipe and the increased reliability and resilience of this infrastructure, facilitate the creation of good paying jobs, and lower natural gas bills to homes and businesses.

**PHMSA’s Action to Replace Aging Pipeline Infrastructure**

PHMSA administers a national regulatory safety program for approximately 3.3 million miles of interstate and intrastate pipelines in the United States, the most expansive network of energy pipelines in the world.

A significant portion of municipally and community-owned distribution operators have aging infrastructure consisting of legacy cast iron, bare steel, and plastic pipelines. Aging natural gas infrastructure is highly susceptible to rust and corrosion, making them more prone to leaks. As a result, these pipelines are associated with higher incidents of fatalities and increased gas bills to consumers. Investing in the modernization of aging, leak-prone, and unreliable pipeline networks will enhance the safe and efficient transport of energy products.



**Grants: \$196.0 million**

### **Natural Gas Distribution Infrastructure Safety and Modernization Grant Program:**

This program funds competitive grants to municipally or community-owned utilities (not including for-profit entities) to repair, rehabilitate, or replace its natural gas distribution pipeline system or to acquire equipment needed to reduce incidents, fatalities, and economic losses.

PHMSA uses a series of factors in determining the distribution of grant awards, such as the risk profile of the project, potential job creation, and impact on economic growth. In FY 2026, PHMSA intends to issue its fifth round of annual Notice of Funding Opportunity (NOFO), while continuing to monitor grantee performance on the previously awarded grants. PHMSA has awarded \$784 million to support projects throughout the country, with another almost \$196 million to be awarded in FY 2026.

On average, PHMSA expects each round of grant award recipients to repair or replace approximately 200 miles of leak-prone pipe. By the end of FY 2025, PHMSA expects total grants awarded to be in the process of repairing or replacing approximately 800 miles of leak-prone pipe.



## Operations: \$4.0 million

In FY 2026, PHMSA staff will continue to develop program management tools and techniques including construction progress reporting and performance measurement systems to assess (1) impacts on safety, (2) impacts on reliability, and (3) the impact of leak reduction projects.

PHMSA will continue to conduct close monitoring and technical assistance to its existing 121 projects totaling \$784 million. During FY 2026, PHMSA will issue a fifth NOFO and work with the initial grantees to ensure grantee performance and results.

PHMSA's request includes professional support services necessary to meet organizational goals and adhere to Congressional timelines for administering the Natural Gas Distribution Infrastructure Safety and Modernization Grant Program.

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

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Congress recognized the need for this infrastructure investment and included the program requirement in Section 1015 of the Infrastructure Investment and Jobs Act of 2021. This program benefits the public by improving energy reliability and advancing public safety, promoting job creation and economic growth, and strengthening national security.

1. **Improved Energy Reliability & Advancing Public Safety:** Aging and leak-prone pipelines can lead to costly service disruptions, risks to public safety, and inefficiencies that drive up energy prices. By modernizing infrastructure, this grant program enhances the stability of energy delivery to consumers while also advancing the safe transportation of energy products.
2. **Job Creation & Economic Growth:** Modernized gas infrastructure will result in reduced gas bills to consumers. These upgrades will also strengthen local economies by providing opportunities for American workers by generating thousands of jobs in construction, engineering, and manufacturing.
3. **Strengthened National Security:** Reliable energy is fundamental to America's security and resilience. Modernized infrastructure reduces vulnerabilities to supply chain disruptions, ensuring our infrastructure can sustain critical operations and defend against potential energy shortages or cyber threats.

# **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, [of which \$12,070,000 shall] *to* remain available until September 30, [2027] 2028[, of which \$1,000,000 shall be made available for carrying out section 5107(i) of title 49, United States Code]: 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.

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

PHMSA's mission is to protect people and communities by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives. These materials, commonly found in homes, gardens, farms, vehicles, and industrial settings, can pose significant dangers if improperly packaged or handled during transit. The Hazardous Materials Safety program is a cornerstone of PHMSA's mission, providing robust guidelines for the classification, packaging, hazard communication, handling, training, and transportation requirements for hazardous materials. These guidelines apply across all modes of transportation—air, highway, rail, and vessel—and are integral to supporting the safety priorities of the Department of Transportation.

In our complex, interconnected transportation network, hazardous materials move in all forms, ranging from bulk raw materials to small consumer shipments of finished products. A single package might journey through multiple transportation modes from its origin to its destination. Every year, over 3.3 billion tons of hazardous materials, valued at more than \$1.9 trillion, are transported across the United States. As direct-to-consumer e-commerce sales continue to grow, more than 2.3 million hazardous materials shipments occur daily. The transportation of hazardous materials is inherently dangerous. Approximately 25,000 transportation incidents involving hazardous materials occur annually, resulting in an annual average of 6 fatalities and 144 injuries over the last ten years.

The Trump Administration's priorities include unleashing America's affordable and reliable energy and promoting production of energy-related such as lithium. Given the growing international demand for American energy products and chemicals, along with rising domestic demand for lithium-ion battery-powered technologies, we expect a steady increase in the volume, frequency, and value of hazardous materials shipments.

PHMSA is dedicated to prioritizing transportation safety while facilitating economic growth and minimizing regulatory burden. We strive to ensure that products reach their intended destination efficiently and safely. This is achieved through a blend of safety standards for packaging and transportation, regular safety checks, and ongoing outreach to the packaging and shipping industries. Shipped hazardous materials include flammable liquids and gases such as diesel fuel, gasoline, and liquified petroleum gas; explosives such as fireworks and ammunition; lithium-ion batteries; corrosive substances such as hydrochloric acid; and radioactive materials for medical use.

As the nation's use of hazardous materials grows, so do the risks that come with transporting these materials. PHMSA is constantly challenged to develop new strategies for ensuring hazardous materials safety. The continuous rise of e-commerce has increased hazardous materials transportation from traditional large, bulk shipments occupying whole trucks, train cars, or intermodal containers to now include individual shipments being delivered directly to a consumer's home. These changes in buying, shipping, and transportation require new and innovative strategies to ensure the safety of the transportation system and the public.

**EXHIBIT III-1**  
**HAZARDOUS MATERIALS SAFETY**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<b>FY 2024 ACTUAL</b>	<b>FY 2025 ENACTED 1/</b>	<b>FY 2026 REQUEST</b>
Operations	\$ 63,486	\$ 64,986	\$ 64,986
Research and Development	\$ 7,570	\$ 7,570	\$ 7,570
Grants	\$ 3,500	\$ 2,000	\$ 2,000
<b>TOTAL, Base appropriations</b>	<b>\$ 74,556</b>	<b>\$ 74,556</b>	<b>\$ 74,556</b>
FTEs			
Direct Funded	197.0	197.0	192.0

1/ FY 2025 Enacted FTE is the actual level from FY 2024.

**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 policy, 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 2025 TO FY 2026  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

	<b><u>\$000</u></b>	<b><u>FTE</u></b>
<b>FY 2025 ENACTED</b>	<b><u>\$74,556</u></b>	<b><u>197.0</u></b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of FY 2025 FTE	0	
Annualization of Prior Pay Raise(s)	198	
FY 2026 Pay Raise	0	
GSA Rent	0	
Adjustment for Compensable Days (261 days)	152	
Working Capital Fund	8,491	
Non-Pay Inflation and Other Adjustments to Base	-8,841	-5.0
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b><u>\$0</u></b>	<b><u>(5.0)</u></b>
<b>FY 2026 REQUEST</b>	<b><u>\$74,556</u></b>	<b><u>192.0</u></b>
<b>Supplemental Appropriations</b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b><u>\$74,556</u></b>	<b><u>192.0</u></b>

## Detailed Justification for Hazardous Materials Safety

### FY 2026 – Hazardous Materials Safety Budget Request (\$000)

Program Activity	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Operations	\$ 53,935	\$ 56,435	\$ 59,713
Contract Safety Programs	9,551	8,551	5,273
Research and Development	7,570	7,570	7,570
State Program and Grants	3,500	2,000	2,000
<b>Total</b>	<b>\$ 74,556</b>	<b>\$ 74,556</b>	<b>\$ 74,556</b>
<b>FTEs</b>	<b>197.0</b>	<b>197.0</b>	<b>192.0</b>

#### Operating Expenses: \$59.7 million



**Picture 2 - Emergency responders investigating drum of hazardous materials.**

PHMSA's FY 2026 request includes \$59.7 million for hazardous materials safety-related operating expenses to support the cost of 192 FTE: 75 inspectors and 117 safety program, scientific, safety standard development, and support staff. This is the actual number of FTE from FY 2024 minus five support staff that are part of a planned consolidation into the Working Capital Fund. These staff work to ensure the safe movement of energy products and other hazardous materials by overseeing compliance of packagers and shippers of products such as lithium-ion batteries, fireworks, petroleum products, chlorine and other toxic chemicals, radioactive materials, infectious substances, and explosives. Operating expenses cover salaries and benefits, travel, training, supplies, equipment, and uniforms for all inspectors. The request also includes investments in PHMSA's core business areas of Inspection, Investigation, Compliance, Safety Management, and Outreach and Engagement programs to educate the public, the industry, and emergency responders on hazardous materials safety.

The FY 2026 President's Budget reflects organizational changes to improve efficiency. The

Budget request assumes that positions and program funding supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the Working Capital Fund (WCF). This realignment is reflected by a decrease in program resources, which is offset by a corresponding increase to WCF expenses.

**The Outreach, Training, and Compliance** program provides outreach, education, and training to communities and first responders on hazardous materials safety, while also enhancing compliance by hazardous materials packagers and shippers with safety standards and regulations. In FY 2026, PHMSA will continue to build on its enhanced outreach, training, and compliance program by placing an emphasis on safety messaging and targeted outreach and engagement to industry stakeholders and state and local communities most susceptible to incidents involving the transportation of hazardous materials. This includes developing and distributing outreach material and resources that enhance general understanding of the hazardous material regulations or function-specific guidelines.

**Special Permits.** This program manages and oversees the evaluation and issuance of special permits to support U.S. global competitiveness throughout the hazardous materials industry, including the rapidly expanding commercial space payload industry. Special permits are statutorily authorized waivers from the hazardous materials regulations that provide economic benefit to the grantee, allow for innovation, reduce regulatory burden, improve efficiency, and enhance hazardous materials transportation safety. PHMSA has issued approximately 8,000 special permits in the past five years with billions of dollars of associated positive economic impact on the grantees and benefits to the American consumer.

### **Approvals**

PHMSA is responsible for issuing approvals for new explosives and fireworks, as well as cylinders that are vital for safe transportation of hazardous materials. In FY 2024, PHMSA approved the classification of:

- 1,979 new explosives for the military, law enforcement, the energy and mining industries, and miscellaneous uses in construction, demolition, and sports;
- Over 6,800 new Fireworks, ensuring the safe transport of professional fireworks supporting celebrations throughout the USA;
- 733 Competent Authority approvals;
- 252 Cylinder Manufacturer approvals;
- 1,011 Cylinder Requalifier approvals; and
- 2,055 Visual Requalifier approvals.

Most of these approvals support small businesses throughout the U.S. and ensure the safe transport and use of refillable cylinders vital to our health (medical oxygen cylinders), as well as our economy and well-being (e.g. propane for heating, cooking, BBQs). The program also ensures safe delivery of industrial gases vital to America's manufacturing base.

**Field Operations.** PHMSA's field staff plays a key role in the safe transportation of hazardous materials. While the specific modes (e.g. FRA, FMCSA, FAA, USCG) conduct investigations of carriers, PHMSA is responsible for oversight of companies whose operations impact the safety of hazardous materials in all modes. PHMSA conducts investigations of hazardous materials



shippers to ensure that hazardous materials offered for transportation are shipped in the proper packages, sealed properly, marked properly, and are accompanied by appropriate information to allow emergency responders and hazardous materials workers to be aware of what the packages contain (e.g. shipping papers and placards). PHMSA also conducts investigations of companies manufacturing hazardous materials packages (e.g. cylinders, drums, boxes) that can be used for transportation by any mode. PHMSA also ensures the companies involved in requalifying hazardous materials packages are performing the proper tests and inspections to verify the ongoing safety of these packages.

### **Contract Safety Programs: \$5.3 million**

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

**The Investigation and Enforcement** program supports the PHMSA inspection and investigative staff located in regional offices. These contracts provide for 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.

**The Hazardous Materials Information and Analysis** program drives policy and decisions by collecting and analyzing data from approximately 25,000 hazardous materials transportation incidents reported to PHMSA annually. Utilizing forensic analysis, we identify the root causes of these incidents to drive agency safety decisions.

**The Hazardous Materials Outreach** program enables 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.

**The Hazardous Materials Registration** program collects annual registration statements and fees from nearly 40,000 hazardous materials shippers and carriers. These fees provide essential funding for grants to first responders. The FY 2026 funding will provide for staff to assist registrants with proper registration.

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

**PHMSA's Hazardous Materials Research, Development (RD&T) Program** conducts research to inform regulations and support safe hazardous materials transportation. Research in this program falls under 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. One example of a project in this area 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.). Projects will 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. Projects in this area include 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

**Community Safety Grants.** PHMSA’s request in FY 2026 includes \$1.0 million for Community Safety Grants (CSG). The grant, reauthorized by the Infrastructure Investment and Jobs Act of 2021 (IIJA), is a competitive grant 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 provides states with the resources to conduct safety inspections of hazardous materials shippers. For FY 2026, PHMSA requests \$1.0 million (a decrease of \$1.5 million) to fund inspections in the two states currently enrolled in the program and bring on an additional four to six states. Funding will provide reimbursement of shipper inspection costs, fund 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. The funding request is decreased due to slower than anticipated participation rates by the States.

### 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.

PHMSA relies on its statutory authority to issue rulemakings that set U.S. safety standards for

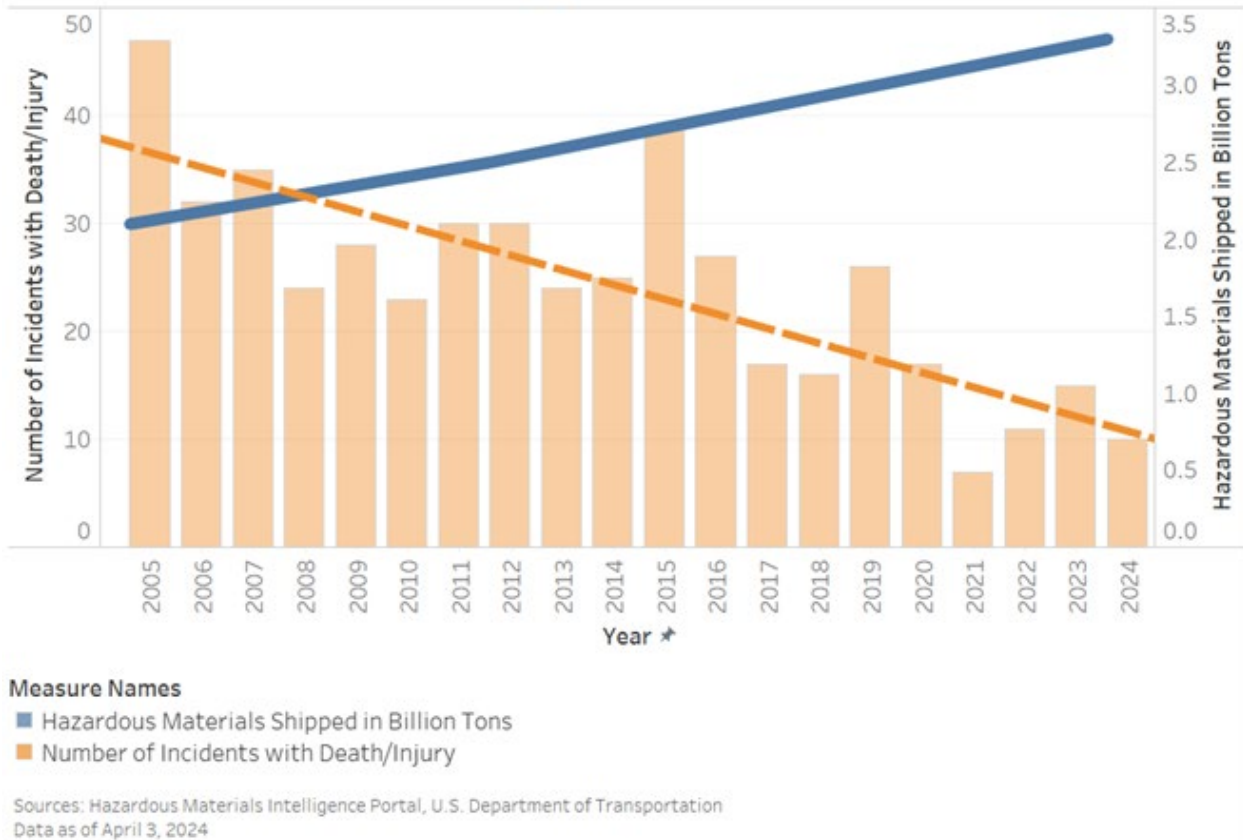
protection against the risks to life, property, and the environment that are inherent in the transportation of hazardous material. Since January 2017, PHMSA rulemaking activities have generated substantial net cost savings and benefits to the hazardous materials transportation community, emergency responders, and the general public. One area includes harmonization of the Hazardous Materials Regulations (HMR) with requirements that facilitates international trade, avoids unnecessary duplicative compliance burdens, and passes savings on to consumers. For example, the past four biennial harmonization rulemakings PHMSA has produced net benefits of \$68.9 million in 2017, \$2.1 million in 2020, \$24.3 million in 2022, and \$14.3 million in 2024.

PHMSA also provides benefits to hazardous material stakeholders (*e.g.*, shippers) by offering compliance assistance and interpretations of the hazardous materials regulations. PHMSA has introduced greater transparency to this service by posting requests for interpretations to our website to allow for stakeholder comment and feedback. The new approach promotes public engagement with upstream awareness and collaboration aiding avoidance of negative downstream impacts.

Lastly, PHMSA is the global leader in the establishment of international hazardous materials and dangerous goods standards. This ensures U.S. global competitiveness by reducing barriers for export and import of hazardous materials that are essential to the U.S. economy and our everyday lives. Specifically, in coordination with the Department of State, other federal agencies, and DOT operating administrations, PHMSA represents the United States in hazardous material transportation technical standards forums such as the United Nations Sub-Committee of Experts on the Transport of Dangerous Goods, the International Civil Aviation Organization, and the International Maritime Organization. PHMSA leadership promotes advancement of global market introduction of U.S. based technologies, facilitates application of modern U.S. based transportation distribution processes and U.S. based e-commerce activities, and advocates for global application of U.S. hazardous materials safety standards that help advance U.S. interests.

**Performance and Program Management:** PHMSA collects accident and incident data nationwide. We carefully track the root causes of incidents and use the information collected to inform the public and to inform our rulemaking and safety standards. As shown on the following graph, total death and major injury incidents have generally declined since 2005.

## Death or Major Injury Incidents Fall While Hazardous Materials Shipments Rise



Continuing success cannot occur without a rigorous commitment to excellence in safety. New inventions and products packaged in cutting edge solutions being transported raise the stakes for safety precautions and preventative measures. PHMSA's request facilitates its ability to identify the highest risks in moving energy to domestic and international markets, technological changes, and new shipping methods. PHMSA requests \$74.6 million in funding to manage the evolving challenges of packaging and shipping hazardous materials, with a commitment in research and development to continue gathering information, solving problems, and moving the U.S. hazardous materials industry forward, protecting the American people, property, and ensuring the safe advancement of our energy economy.

# **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, [2027] 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 2026 Request reiterates a proposal made in FY 2025 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 wants to ensure the award of all available resources to train and prepare first responders for hazardous materials accidents and incidents.

Unlike other DOT accounts that require an obligation limitation for purposes of outlay control, only amounts collected are available for use. Removing the obligation limitation would streamline the program to operate as authorized and 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 account established under section 5116 of such title shall be available to pay the administrative costs of carrying out sections 5116, 5107(e), and 5108(g)(2) of such title.**

This provision 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.

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

Over the past decade, there has been tremendous growth in the shipment of hazardous materials throughout the Nation. Today, 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. As direct-to-consumer e-commerce sales continue to grow, more than 2.3 million hazardous materials shipments occur every day. Fueled by domestic demand for lithium-ion battery powered electronics and international demand for American energy products and chemicals, the total volume, number of shipments, and value of hazardous materials shipments is expected to continue increasing. Thus, carrier movement of hazardous materials has increased dramatically on roads, waterways, and by rail within the United States.

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/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 2026, PHMSA requests budget authority of \$44.2 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.



**EXHIBIT III-1**  
**EMERGENCY PREPAREDNESS GRANTS**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<b>FY 2024 ACTUAL</b>	<b>FY 2025 ENACTED</b>	<b>FY 2026 REQUEST</b>
Operations	\$ 1,117	\$ 1,763	\$ 1,763
Grants	\$ 26,819	\$ 42,393	\$ 42,393
<b>TOTAL, Base appropriations</b> <b>1/</b>	<b>\$ 27,936</b>	<b>\$ 44,156</b>	<b>\$ 44,156</b>
FTEs			
Direct Funded	0	0	0

1/ FY 2024 amounts represent the estimate of amounts collected and available as budget authority. 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).

**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 2025 TO FY 2026  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

	<b><u>\$000</u></b>	<b><u>FTE</u></b>
<b>FY 2025 ENACTED</b>	<b>\$44,156</b>	<b>0.0</b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of FY 2025 FTE	0	
Annualization of Prior Pay Raise(s)	0	
FY 2026 Pay Raise	0	
GSA Rent	0	
Adjustment for Compensable Days (261 days)	0	
Working Capital Fund	0	
Non-Pay Inflation and Other Adjustments to Base	0	
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>0.0</b>
<b>PROGRAM REDUCTIONS</b>		
Hazardous Materials Instructor Training (HMIT) Grants	-3,000	
<b>SUBTOTAL, PROGRAM INCREASES</b>	<b>-\$3,000</b>	<b>0</b>
<b>PROGRAM INCREASES</b>		
Community Safety Grants	3,000	
<b>SUBTOTAL, PROGRAM INCREASES</b>	<b>\$3,000</b>	<b>0</b>
<b>FY 2026 REQUEST</b>	<b>\$44,156</b>	<b>0.0</b>
<b>Supplemental Appropriations</b>	<b>\$0</b>	<b>0</b>
<b>TOTAL</b>	<b>\$44,156</b>	<b>0.0</b>

## Detailed Justification for Hazardous Materials Emergency Preparedness Grants

### FY 2026 – Hazardous Materials Emergency Preparedness Grants Budget Request (\$000)

Program Activity	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Operations	\$ 1,117	\$ 1,763	\$ 1,763
Grants	26,819	42,393	42,393
<b>Total 1/</b>	<b>\$ 27,936</b>	<b>\$ 44,156</b>	<b>\$ 44,156</b>

1/ FY 2024 amounts represent the estimate of amounts collected and available as budget authority. 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).

#### Operations: \$1.8 million

Operations includes the costs needed to administer the grant program. This includes activities such as grantee and registration support; workshops for state plans for improving local response to hazardous materials shipments, routes, and incidents; Grants Round Table Meeting organization, and other outreach support., These resources are also used to maintain the grants management system.

#### Grants Program: \$42.4 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, \$35.0 million
- Hazardous Materials Instructor Training (HMIT) Grants, \$1.7 million
- Community Safety Grant, \$3.0 million
- Supplemental Public-Sector Training Grants (SPST), \$1.9 million
- Assistance for Local Emergency Response Training (ALERT) (Amount based on unused amounts from other programs)

#### HMEP Grants, \$35.0 million

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

Lastly, 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 incidents safely and effectively. Emergency responders and firefighters also reported that they are sometimes without PPE while it is being cleaned following an incident, leaving them potentially unable to respond to a subsequent incident.

#### **HMIT Grants, \$1.7 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. The requested funding is reduced by \$3.0 million due to applications in recent years showing a greater need for Community Safety Grants when compared to the demand for funds from the HMIT grant.

#### **Community Safety Grants, \$3.0 million**

\$3.0 million to the Community Safety Grant, a competitive grant to non-profit organizations for training and outreach programs to help local communities prepare for transportation incidents involving HAZMAT, including crude oil and ethanol. This funding can also be used to improve training for state and local personnel who enforce HAZMAT regulations. This program would use \$3.0 million used by HMIT grants in FY 2025. PHMSA's review found Community Safety Grants could provide better safety benefits.

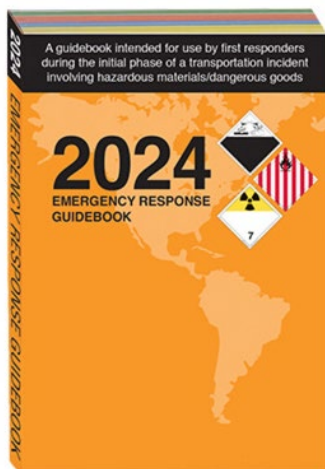
#### **SPST Grants, \$1.9 million**

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.

#### **ALERT Grants,**

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/hazardousmaterials/library/erg>).

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

Since 1993, 20 million copies of the *Emergency Response Guidebook* have been published and distributed, in addition to 1.4 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. The *Emergency Response Guidebook* is present in almost every emergency response vehicle in the United States.

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

The Infrastructure Investment and Jobs Act of 2021 (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 important 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/accidents, saving lives and reducing environmental damage every year.

**Performance and Program Management:** PHMSA collects statistics 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 – 2023, the program has aided the following response activities nationwide:

- Training of more than 280,000 emergency responders;
- Development of 194 new emergency plans;
- Updates to 205 emergency response plans;
- Performance of 273 emergency response exercises;
- Completion of 187 commodity flow studies;
- Completion of 52 hazard analyses and capability assessments; and
- Completion of over 700 other hazardous materials planning activities.

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# **Operational Expenses**



## **APPROPRIATIONS LANGUAGE**

### **OPERATIONAL EXPENSES**

For necessary operational expenses of the Pipeline and Hazardous Materials Safety Administration, \$31,681,000 of which \$4,500,000 shall remain available until September 30, [2027] 2028.

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

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PHMSA ensures the safe transportation of hazardous materials across all modes of transportation and the safe operation of pipelines and pipeline facilities (including underground storage and certain liquified natural gas facilities). The Operational Expenses account provides resources that support a world-class safety organization—regulatory and enforcement support, financial management, and grants administration, among others.

**EXHIBIT III-1**  
**OPERATIONAL EXPENSES**  
**Summary by Program Activity**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

	<b>FY 2024 ACTUAL</b>	<b>FY 2025 ENACTED</b>	<b>FY 2026 REQUEST</b>
Operations	\$ 27,181	\$ 27,181	\$ 27,181
Grants	\$ 4,500	\$ 4,500	\$ 4,500
<b>TOTAL, Base appropriations</b>	<b>\$ 31,681</b>	<b>\$ 31,681</b>	<b>\$ 31,681</b>
FTEs			
Direct Funded	72.0	72.0	40.0

**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 2025 TO FY 2026**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

	<b>\$000</b>	<b>FTE</b>
<b>FY 2025 ENACTED 1/</b>	<b>\$31,681</b>	<b>72.0</b>
<b>ADJUSTMENTS TO BASE:</b>		
Annualization of FY 2025 FTE	0	
Annualization of Prior Pay Raise(s)	77	
FY 2026 Pay Raise	0	
GSA Rent	0	
Adjustment for Compensable Days (261 days)	60	
Working Capital Fund	8,593	
Non-Pay Inflation and Other Adjustments to Base	-8,730	-32.0
<b>SUBTOTAL, ADJUSTMENTS TO BASE</b>	<b>\$0</b>	<b>(32.0)</b>
<b>FY 2026 REQUEST</b>	<b>\$31,681</b>	<b>40.0</b>
<b>TOTAL</b>	<b>\$31,681</b>	<b>40.0</b>

## Detailed Justification for the Operational Expenses Program

### FY 2026 Operational Expenses Budget Request (\$000)

Program Activity	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Operations	\$ 22,017	\$ 22,017	\$ 24,596
Contract Safety Programs	5,164	5,164	2,585
Grants	4,500	4,500	4,500
<b>Total</b>	<b>\$ 31,681</b>	<b>\$ 31,681</b>	<b>\$ 31,681</b>
<b>FTEs</b>	<b>72.0</b>	<b>72.0</b>	<b>40.0</b>

#### Operations: \$24.6 million

PHMSA's FY 2026 operations request of \$24.6 million supports the safety organization by recruiting and hiring safety professionals; funding the Department of Transportation's shared costs through the Working Capital Fund (WCF); administering research and grant awards; assessing and collecting operator fees; providing the public, Congress and the Administration with needed safety leadership and information; and equipping our safety staff with the tools and technology necessary to operate a first-rate safety organization. These funds specifically cover salaries and benefits, equipment, rent, travel, training, supplies, and other essential commitments needed for the organization to implement the Administration's critical goals and priorities. The FY 2026 President's Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions and program funding supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the WCF. This realignment is reflected by a decrease in program resources, which is offset by a corresponding increase to WCF expenses.

#### Contract Safety Programs: \$2.6 million

PHMSA requests \$2.6 million for Information Technology and Modernization. This includes data systems that quantify incidents and accidents, associate causality, and predict future trends and events—in other words, the backbone of PHMSA's safety oversight. The systems ensure the timely processing of hazardous materials special permits and approvals. PHMSA is focused on

providing increased automation and functionality to its field inspection staff enabling them to perform essential safety oversight functions more seamlessly and effectively.

The funding also supports all IT used at headquarters and some of the regional support. This includes support for key Departmental priorities such as multi-factor authentication and encryption of all data. These investments will not only ensure the security of PHMSA's systems and information but also promote better systems operation.

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

PHMSA's request for Grants programs is \$4.5 million to continue funding the Emergency Response and Information Grants to Communities programs.

#### **Pipeline Emergency Response Grants - \$2.5 million**

Each year PHMSA awards grants to state, county, and local governments in high consequence areas, as defined by the Secretary, for pipeline emergency response management, training, and technical assistance. Local emergency responders are the first to show up when it comes to protecting people, property, and communities from the harmful effects of hazardous pipeline accidents or incidents.

Communities are most often impacted by pipelines running close to homes and businesses. First responders need help to manage highly volatile and dangerous incidents when they occur and to identify and prevent dangerous conditions that cause incidents. Grants to train emergency responders will ensure the safety of people in these communities.

#### **Information to Grants to Communities - \$2.0 million**

The funding supports Pipeline Safety Information Grants to Communities for technical assistance related to communities impacted by pipeline projects and facilities. The awards have funded a broad range of activities, including:

- Improvement of local pipeline emergency response capabilities;
- Improvement of safe digging programs;
- Development of pipeline safety information resources;
- Implementation of local land use practices that enhance pipeline safety;
- Community and pipeline awareness campaigns, such as "811 Call Before You Dig"; and
- Enhancements in public participation in official proceedings pertaining to pipelines.

These funds are used for the safety of the communities near pipeline infrastructure. However, per 49 U.S.C. § 60130(b) the funding may *not* be used for lobbying, direct advocacy for or against a pipeline construction or expansion project, or in direct support of litigation.

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

The request will allow PHMSA to carry out an effective staffing plan, support innovative modern information technology, improve internal management processes for the safety

organization, develop the next generation of agency leaders, and enhance responsiveness to Congressional and regulatory requirements.

PHMSA's request supports the safe movement of hazardous materials through all modes of transportation and pipelines. Through this primary safety goal, PHMSA advocates for enhanced safety standards, improvements, and commitment to innovation.

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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 2026 Research, Development, & Technology Budget Authority**  
**(\$000)**

<b>Budget Account</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 Request</b>	<b>Applied</b>	<b>Technology Transfer</b>	<b>Experiment'l Development</b>	<b>Major Equipment/ R&amp;D Equipment</b>
<b>Pipeline Safety</b>	<b>\$ 12,500</b>	<b>\$ 12,500</b>	<b>\$ 12,500</b>				
<b>Safety</b>							
Liquefied Natural Gas	6,000	6,000	2,000				
Underground Natural Gas Storage	1,500	1,500	500				
Pipeline Threat/Anomaly Detection	1,000	1,000	3,000				
Pipeline Leak Detection (liquid)	1,000	1,000	2,000				
Pipeline Threat Prevention	1,000	1,000	2,000				
Repair/Rehabilitation	1,000	1,000	1,500				
Design, Materials, and Welding/Joining	-	-	1,500				
Hydrogen	1,000	1,000	-				
<b>Hazardous Materials Safety</b>	<b>\$ 7,570</b>	<b>\$ 7,570</b>	<b>\$ 7,570</b>				
<b>Safety</b>							
Risk Reduction for Emergency Response	1,500	1,500	1,500				
Efficient Safety Standards	1,000	1,000	1,000				
Innovative Packaging	2,500	2,500	2,500				
Safe Energy Storage Technologies	2,570	2,570	2,570				
<b>Administrative Expenses</b>	<b>\$ 1,846</b>	<b>\$ 1,846</b>	<b>\$ 1,846</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>\$ 21,916</b>	<b>\$ 21,916</b>				

**Exhibit IV-2 FY 2026 Budget Request – RD&T Program Funding by DOT Strategic Goal**

**Pipeline and Hazardous Materials Safety Administration  
FY 2026 Research, Development, & Technology Budget  
(\$000)**

**DOT STRATEGIC GOALS**

<b>ACCOUNT/PROGRAM</b>	<b>FY 2026 Request</b>	<b>Safety</b>	<b>Economic Strength</b>	<b>Equity</b>	<b>Climate &amp; Sustain'y</b>	<b>Transform'n</b>	<b>Organizational Excellence</b>
<b>Pipeline Safety</b>	<b>\$ 12,500</b>	<b>\$ 12,500</b>	<b>\$ 0</b>				
<b>Safety</b>							
Liquefied Natural Gas	2,000	2,000					
Underground Natural Gas Storage	500	500					
Pipeline Threat/Anomaly Detection	2,000	3,000					
Pipeline Leak Detection (liquid)	3,000	2,000					
Pipeline Threat Prevention	2,000	2,000					
Repair/Rehabilitation	1,500	1,500					
Design, Materials, and Welding/Joining	1,500	1,500					
<b>Hazardous Materials Safety</b>	<b>\$ 7,570</b>	<b>\$ 6,820</b>	<b>\$ 750</b>				
<b>Safety</b>							
Risk Reduction for Emergency Response	1,500	1,500					
Efficient Safety Standards	1,000	1,000					
Innovative Packaging	2,500	1,750	750				
Safe Energy Storage Technologies	2,570	2,570					
<b>TOTAL</b>	<b>\$ 20,070</b>	<b>\$ 19,320</b>	<b>\$ 750</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. In Fiscal Year (FY) 2026, PHMSA will pursue Research, Development, and Technology results through projects carried out by its Offices of Pipeline Safety and Hazardous Materials Safety.

### Pipeline Safety Research FY 2026 Funding Request: \$12,500,000

#### Program Description/Activities

In FY 2026, PHMSA will continue to seek stakeholder input, review accident trends, and evaluate the progress on its current projects and completed research. In addition, PHMSA plans to bolster its stakeholder engagement program through in person and virtual meetings to present results from previously funded projects. PHMSA will continue to identify additional research gaps and research topics to be funded in FY 2026 and identify any follow-on research that could build on results from prior years.

Research initiatives lead to the development of new or improved tools, technologies, and knowledge to aid in the prevention and reduction of damage to pipelines. Research also assists with the early identification of hazardous liquid leaks and ensures the safe transportation of energy products. These investments will help ensure safe and effective transport of energy products. Research funding is derived from pipeline operators through user fee assessments and from an Oil Spill Liability Trust Fund contribution.

The Pipeline Safety Research Program is collaborative by design. A comprehensive research strategy is developed systematically through research and development forums, research gap ideas submitted by the public, PHMSA initiatives, and collaborative partnerships with industry, academia, government, and non-government organizations. The PHMSA holds its Pipeline RD&T Forums biennially, and uses the recommendations from the forum, as well as internal pipeline safety data, to establish future fiscal year research funding agendas and solicitations.

PHMSA's research results in scholarly publications and commercially viable products to improve pipeline safety. Since 2002, PHMSA's R&D investments resulted in 34 patent applications, 22 of which were successfully patented, 421 journal articles and conference papers, and 35 commercialized technologies.

#### Anticipated Program Activities

Based on the feedback PHMSA received at the RD&T forums mentioned above, for FY 2026, PHMSA plans to continue investing in research with an increased investment in the pipeline safety areas that show the most promise including Pipeline Threat/Anomaly Detection, Liquid

Pipeline Leak Detection, Pipeline Threat Prevention, Repair/Rehabilitation and Design, Materials, and Welding/Joining as shown below:

#### **Liquefied Natural Gas (\$2.0 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 to complete and evaluate results from prior years' research, ensuring future funding targets unresolved gaps without duplicating work.

#### **Underground Natural Gas Storage (UNGS) Facilities Safety (\$500 thousand)**

Investment in research related to improving the safety of UNGS facilities over their full life cycle continues to be a priority. PHMSA intends to focus on design and reliability improvements to storage well equipment and maintenance practices. Previous funding at higher levels on UNGS storage research is concluding, and no new gaps have been identified. Funding will remain low unless critical issues emerge.

#### **Pipeline Threat/Anomaly Detection/Characterization (\$3.0 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, and gouges, among other areas. 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)**

Investment in research related to leak detection is a continued priority as improved leak detection provides for early recognition of releases, reduces adverse consequences, and keeps more product in the pipe. An increase 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 continues to play a key identified roll in pipeline safety and accident data. Increasing the amount for research will help to identify and determine best ways to reduce those risks, along with developing the tools required.

#### **Repair/Rehabilitation (\$1.5 million)**

Investment in research related to better understanding damaged coatings, corrosion, and other defects is a continued priority. Improving existing, and creating new, reliable repair methods is critical to the safe operation of pipelines. Due to increases in system conversions, it is pivotal to

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

maintain the integrity in the safest most economical way possible to keep moving product. This increase will address gaps identified in repair and rehabilitation.

### **Design, Materials, and Welding/Joining (\$1.5 million)**

Investment in research related to pipeline materials and design and how it can mitigate or minimize integrity threats to hazardous liquid, gas transmission and distribution pipelines, UNGS facilities, and LNG facilities continues to be a priority. The welding and joining will require automation and inspection capabilities that can safely improve the economic strength of construction activities. To enhance the safety and integrity of pipeline infrastructure both new and existing, funding has been increased to address identified gaps in these areas. This 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**

The Office of Hazardous Materials Safety plays a crucial role in ensuring the safe arrival of 2.3 million daily shipments of hazardous materials to arrive safely at their destination. The mission of Hazardous Materials Research & Development improves hazardous materials safety and transportation through a proactive and holistic approach that enables innovative research, extensive collaboration, and data-driven decision making. Our primary focus is on conducting research aimed at mitigating the risks associated with the transportation of hazardous materials, while also evaluating and promoting the adoption of new technologies that facilitate safe, secure, and efficient transportation practices.

The Hazardous Materials Safety Research Program is collaborative with industry and Federal agencies. A comprehensive research strategy is developed through research and development forums, and promising research ideas submitted by Federal agencies and industry resulting from an annual call for research known as a Broad Agency Announcement.

### **Anticipated Program Activities**

For 2026, PHMSA's Hazardous Materials Research, Development (RD&T) Program plans to continue investing in new research to inform regulations and support safe hazardous materials transportation in the following areas:

### **Risk Reduction for Emergency Response (\$1.5 million)**

Investment in Research to evaluate and address challenges for HAZMAT emergency response. Develop and explore foundational data about HAZMAT 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.

**Efficient Safety Standards (\$1.0 million)**

Investment in research to 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. One example of a project in this area is PHMSA's investigation into whether there are small quantities of some explosive materials that present risks so small as to justify deregulation.

**Innovative Packaging (\$2.5 million)**

Investment in research to alleviate safety and reliability issues in hazardous materials transportation. Develop innovative and novel packaging materials and designs to improve safety. Address safety holistically by researching solutions for adverse transportation conditions that affect the package's integrity. Research in this area includes investigating the safety of carbon-reinforced plastics in Intermodal tanks and cargo tanks as potential alternatives to steel or other metals.

**Safe Energy Storage Technologies (\$2.6 million)**

Investment in research to resolve 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.). Projects will include testing new battery technologies such as sodium-ion batteries to assess safety and developing a device to detect level of charge in lithium-ion batteries.

## **V: Information Technology Expenditure**



## FY 2026 IT BUDGET REQUEST

### INFORMATION TECHNOLOGY

#### DEPARTMENT OF TRANSPORTATION

#### PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

#### BUDGET AUTHORITY

Budget Account	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
<b>Pipeline Safety</b>	<b>\$ 27,793</b>	<b>\$ 28,333</b>	<b>\$ 24,025</b>
<i>Commodity IT SS WCF</i>	7,094	7,704	8,503
<i>Programmatic IT SS WCF</i>	-	-	15,522
<i>Modal IT</i>	20,699	20,629	-
<b>Hazardous Materials Safety</b>	<b>\$ 11,922</b>	<b>\$ 12,237</b>	<b>\$ 12,675</b>
<i>Commodity IT SS WCF</i>	4,140	4,496	4,962
<i>Programmatic IT SS WCF</i>	-	-	7,713
<i>Modal IT</i>	7,782	7,741	-
<b>Operational Expenses</b>	<b>\$ 6,514</b>	<b>\$ 6,684</b>	<b>\$ 5,564</b>
<i>Commodity IT SS WCF</i>	1,350	1,520	1,677
<i>Programmatic IT SS WCF</i>	-	-	3,887
<i>Modal IT</i>	5,164	5,164	-
<b>Total</b>	<b>\$ 46,229</b>	<b>\$ 47,254</b>	<b>\$ 42,264</b>

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is requesting **\$42.3 million** in FY 2026 for information technology (IT) programs that support its pipeline and hazardous materials transportation safety programs, as well as the Department's initiative to transform and consolidate the management of certain IT solutions within the Office of the Chief Information Officer (OCIO).

#### **Working Capital Fund Investments**

PHMSA requests **\$42.3 million** for the purchase of IT services for Department-run systems through the working capital fund (WCF). This includes all desktop service, servers, and most capital assets for the network switches and file/print servers in field offices, as well as data center and disaster recovery site servers. The amount reflects savings from FY 2024 levels from retiring servers in favor of cloud storage, consolidating grant systems, and cybersecurity savings.

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is requesting funding across several key areas to enhance pipeline safety and regulatory oversight. PHMSA seeks funding for the **PHMSA Datamart** to collect and analyze pipeline incident data, determine causes, and integrate relevant data elements to support inspection planning and safety standard development. Funding also supports the **National Pipeline Mapping System (NPMS)**, a legally mandated mapping platform that provides essential pipeline safety information to the public and state and local officials. For its Pipeline Inspection,

Investigation, and Enforcement (PIIE) system, PHMSA requests funding to support its core functions related to incident and condition reporting, as well as enforcement actions. PHMSA also plans to continue the **Pipeline Risk Management Information System (PRIMIS)**, which distributes regulatory and safety information and supports state-level inspection tools like the **Inspection Assistant**. Finally, funding will support operations including the **PHMSA Portal** and **Cybersecurity** enhancements to protect mission-critical systems and data, meet federal cybersecurity standards, and support initiatives such as multi-factor authentication and data encryption.

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

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

<u><b>YEAR</b></u>	<u><b>REQUEST</b></u>	<u><b>ENACTED</b></u>
2017	\$156,943,000	\$154,580,000
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	\$188,186,000
2026	\$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><b>YEAR</b></u>	<u><b>REQUEST</b></u>	<u><b>ENACTED</b></u>
2017	\$19,500,000	\$20,288,000
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	

**EXHIBIT VI**  
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**  
**HISTORY OF APPROPRIATIONS**  
**Natural Gas Distribution Infrastructure Safety and Modernization Grants (IIJA Supplemental)**

<u>YEAR</u>	<u>REQUEST</u>	<u>ENACTED</u>
2022		\$200,000,000
2023		\$200,000,000
2024		\$200,000,000
2025		\$200,000,000
2026		\$200,000,000

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

<u><b>YEAR</b></u>	<u><b>REQUEST</b></u>	<u><b>ENACTED</b></u>
2017	\$68,249,000	\$57,000,000
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	\$74,556,000
2026	\$74,556,000	

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

<u><b>YEAR</b></u>	<u><b>REQUEST</b></u>	<u><b>ENACTED</b></u>
2017	\$28,318,000	\$26,364,058
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	\$46,825,000
2025	\$39,000,000	\$46,825,000
2026	\$44,156,000	



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

<u><b>YEAR</b></u>	<u><b>REQUEST</b></u>	<u><b>ENACTED</b></u>
2017	\$22,188,000	\$22,500,000
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	\$31,681,000
2026	\$31,681,000	