

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-24-13

Date

Honorable David Dewhurst
President of the Senate


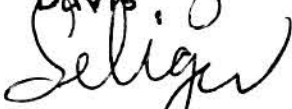
Honorable Joe Straus
Speaker of the House of Representatives


Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 2982 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

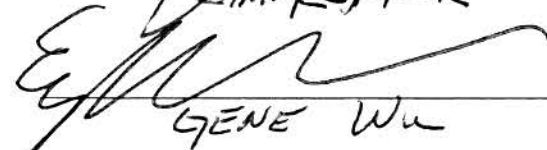

Duncan

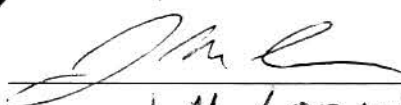
Fraser

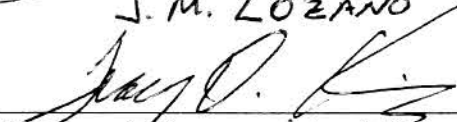

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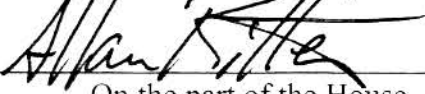

Uresti On the part of the Senate


Jim Keffer


Gene Wu


J. M. LOZANO


Tracy King


On the part of the House
ALLAN RITTER

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 2982

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the power of the Railroad Commission of Texas to adopt
3 and enforce safety standards applicable to the transportation by
4 pipeline of hazardous liquids, carbon dioxide, and natural gas in
5 rural locations.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. The heading to Section 117.011, Natural
8 Resources Code, is amended to read as follows:

9 Sec. 117.011. JURISDICTION UNDER DELEGATED FEDERAL
10 AUTHORITY.

11 SECTION 2. Sections 117.012(a), (b), and (h), Natural
12 Resources Code, are amended to read as follows:

13 (a) The commission shall adopt rules that include safety
14 standards [~~for and practices~~] applicable to the intrastate
15 transportation of hazardous liquids or carbon dioxide by pipeline
16 and intrastate hazardous liquid or carbon dioxide pipeline
17 facilities, including safety standards related to the prevention of
18 damage to such a facility resulting from the movement of earth by a
19 person in the vicinity of the facility, other than movement by
20 tillage that does not exceed a depth of 16 inches. Rules adopted
21 under this subsection that apply to the intrastate transportation
22 of hazardous liquids and carbon dioxide by gathering pipelines in
23 rural locations and intrastate hazardous liquid and carbon dioxide
24 gathering pipeline facilities in rural locations must be based only

1 on the risks the transportation and the facilities present to the
2 public safety, except that the commission shall revise the rules as
3 necessary to comply with Subsection (c) and to maintain the maximum
4 degree of federal delegation permissible under 49 U.S.C. Section
5 60101 et seq., or a succeeding law, if the federal government adopts
6 rules that include safety standards applicable to the
7 transportation and facilities.

8 (b) Rules that adopt safety standards do not apply to
9 ~~[movement of hazardous liquids or carbon dioxide through gathering~~
10 ~~lines in rural locations or]~~ production, refining, or manufacturing
11 facilities or storage or in-plant piping systems associated with
12 any of those facilities.

13 (h) The commission shall require operators of hazardous
14 liquid and carbon dioxide pipeline facilities or the ~~[their]~~
15 designated representatives of such operators to communicate and
16 conduct liaison activities with fire, police, and other appropriate
17 public emergency response officials. The liaison activities must
18 be conducted by meetings in person except as provided by this
19 section. An operator or the operator's representative may conduct
20 required community liaison activities as provided by Subsection (i)
21 only if the operator or the operator's representative has made an
22 effort, by one of the following methods, to conduct a community
23 liaison meeting in person with the officials:

24 (1) mailing a written request for a meeting in person
25 to the appropriate officials by certified mail, return receipt
26 requested;

27 (2) sending a request for a meeting in person to the

1 appropriate officials by facsimile transmission; or

2 (3) making one or more telephone calls or e-mail
3 message transmissions to the appropriate officials to request a
4 meeting in person.

5 SECTION 3. The heading to Section 121.201, Utilities Code,
6 is amended to read as follows:

7 Sec. 121.201. SAFETY RULES;[+] RAILROAD COMMISSION POWER
8 UNDER DELEGATED FEDERAL AUTHORITY.

9 SECTION 4. Section 121.201(a), Utilities Code, is amended
10 to read as follows:

11 (a) The railroad commission may:

12 (1) by rule prescribe or adopt safety standards for
13 the transportation of gas and for gas pipeline facilities,
14 including safety standards related to the prevention of damage to
15 such a facility resulting from the movement of earth by a person in
16 the vicinity of the facility, other than movement by tillage that
17 does not exceed a depth of 16 inches;

18 (2) by rule require an operator that does not file
19 operator organization information under Section 91.142, Natural
20 Resources Code, to provide the information to the commission in the
21 form of an application;

22 (3) by rule require record maintenance and reports;

23 (4) inspect records and facilities to determine
24 compliance with safety standards prescribed or adopted under
25 Subdivision (1);

26 (5) make certifications and reports from time to time;

27 (6) seek designation by the United States secretary of

1 transportation as an agent to conduct safety inspections of
2 interstate gas pipeline facilities located in this state; ~~and~~

3 (7) by rule take any other requisite action in
4 accordance with 49 U.S.C. Section 60101 et seq., or a succeeding
5 law; and

6 (8) by rule establish safety standards and practices
7 for gathering facilities and transportation activities in Class 1
8 locations, as defined by 49 C.F.R. Section 192.5:

9 (A) based only on the risks the facilities and
10 activities present to the public safety, to the extent consistent
11 with federal law; or

12 (B) as necessary to maintain the maximum degree
13 of federal delegation permissible under 49 U.S.C. Section 60101 et
14 seq., or a succeeding law, if the federal government adopts safety
15 standards and practices for gathering facilities and
16 transportation activities in Class 1 locations, as defined by 49
17 C.F.R. Section 192.5.

18 SECTION 5. Before September 1, 2015, the Railroad
19 Commission of Texas may implement the changes in law made by this
20 Act to Chapter 117, Natural Resources Code, or Chapter 121,
21 Utilities Code, or rules adopted under those chapters, as amended
22 by this Act, only:

23 (1) to provide a process for the commission to
24 investigate an accident, an incident, a threat to public safety, or
25 a complaint related to operational safety and to require an
26 operator to submit a plan to remediate an accident, incident,
27 threat, or complaint;

1 (2) to require reports necessary to allow the
2 commission to investigate an accident, an incident, a threat to
3 public safety, or a complaint related to operational safety; or

4 (3) to require operators to provide information to the
5 commission that the commission determines is necessary to determine
6 the risks presented to the public safety by:

7 (A) the intrastate transportation of hazardous
8 liquids and carbon dioxide by gathering pipeline facilities in
9 rural locations and intrastate hazardous liquid and carbon dioxide
10 gathering pipeline facilities in rural locations; and

11 (B) gas gathering facilities and transportation
12 activities in Class 1 locations, as defined by 49 C.F.R. Section
13 192.5.

14 SECTION 6. This Act takes effect September 1, 2013.

House Bill 2982
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION (IE)	CONFERENCE
No equivalent provision.	SECTION __. Subchapter B, Chapter 91, Natural Resources Code, is amended by adding Section 91.021 [FA1]	Same as House version.
No equivalent provision.	SECTION __. Saving provision. [FA1]	Same as House version.
SECTION 1. The heading to Section 117.011, Natural Resources Code, is amended to read as follows: Sec. 117.011. <u>JURISDICTION UNDER DELEGATED FEDERAL AUTHORITY.</u>	SECTION 1. Same as House version.	SECTION 1. Same as House version.
SECTION 2. Sections 117.012(a), (b), and (h), Natural Resources Code, are amended to read as follows: (a) The commission shall adopt rules that include safety standards [for and practices] applicable to the intrastate transportation of hazardous liquids or carbon dioxide by pipeline and intrastate hazardous liquid or carbon dioxide pipeline facilities, including safety standards related to the prevention of damage to such a facility resulting from the movement of earth by a person in the vicinity of the facility, other than movement by tillage that does not exceed a depth of 16 inches. <u>The commission may adopt rules under this subsection that apply to the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipelines in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations based only on the risks the transportation and the facilities present to the public safety.</u>	SECTION 2. Sections 117.012(a), (b), and (h), Natural Resources Code, are amended to read as follows: (a) The commission shall adopt rules that include safety standards [for and practices] applicable to the intrastate transportation of hazardous liquids or carbon dioxide by pipeline and intrastate hazardous liquid or carbon dioxide pipeline facilities, including safety standards related to the prevention of damage to such a facility resulting from the movement of earth by a person in the vicinity of the facility, other than movement by tillage that does not exceed a depth of 16 inches. <u>Rules adopted under this subsection that apply to the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipelines in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations must be based only on the risks the transportation and the facilities present to the public safety, except that the commission shall revise the rules as necessary to comply with Subsection (c) and to maintain the maximum degree of federal delegation permissible under 49</u>	SECTION 2. Sections 117.012(a), (b), and (h), Natural Resources Code, are amended to read as follows: (a) Same as Senate version.

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SENATE VERSION (IE)

CONFERENCE

U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts rules that include safety standards applicable to the transportation and facilities.

(b) and (h)

(b) and (h) Same as House version.

(b) and (h) Same as House version.

SECTION 3. The heading to Section 121.201, Utilities Code, is amended to read as follows:

Sec. 121.201. SAFETY RULES;[?] RAILROAD COMMISSION POWER UNDER DELEGATED FEDERAL AUTHORITY.

SECTION 3. Same as House version.

SECTION 3. Same as House version.

SECTION 4. Section 121.201, Utilities Code, is amended by adding Subsection (f) to read as follows:

SECTION 4. Section 121.201(a), Utilities Code, is amended to read as follows:

SECTION 4. Same as Senate version.

(a) The railroad commission may:

(1) by rule prescribe or adopt safety standards for the transportation of gas and for gas pipeline facilities, including safety standards related to the prevention of damage to such a facility resulting from the movement of earth by a person in the vicinity of the facility, other than movement by tillage that does not exceed a depth of 16 inches;

(2) by rule require an operator that does not file operator organization information under Section 91.142, Natural Resources Code, to provide the information to the commission in the form of an application;

(3) by rule require record maintenance and reports;

(4) inspect records and facilities to determine compliance with safety standards prescribed or adopted under Subdivision (1);

(5) make certifications and reports from time to time;

(6) seek designation by the United States secretary of transportation as an agent to conduct safety inspections of

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HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

(f) To the extent consistent with federal law, the railroad commission by rule may establish safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5, based on the risks the facilities and activities present to the public safety.

SECTION 5. Not later than December 1, 2013, the Railroad Commission of Texas shall adopt rules to implement the changes in law made by this Act to Chapter 117, Natural Resources Code, and Chapter 121, Utilities Code.

SECTION 6. Before September 1, 2015, the Railroad Commission of Texas may implement the changes in law made by this Act to Chapter 117, Natural Resources Code, or Chapter 121, Utilities Code, or rules adopted under those chapters, as amended by this Act, only

interstate gas pipeline facilities located in this state; ~~and~~
(7) by rule take any other requisite action in accordance with 49 U.S.C. Section 60101 et seq., or a succeeding law; and

(8) by rule establish safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5;
(A) based *only* on the risks the facilities and activities present to the public safety, to the extent consistent with federal law;

or
(B) as necessary to maintain the maximum degree of federal delegation permissible under 49 U.S.C. Section 60101 et seq., or a succeeding law, if the federal government adopts safety standards and practices for gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5.

No equivalent provision.

SECTION 5. Before September 1, 2015, the Railroad Commission of Texas may implement the changes in law made by this Act to Chapter 117, Natural Resources Code, or Chapter 121, Utilities Code, or rules adopted under those chapters, as amended by this Act, only:
(1) to provide a process for the commission to investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety and to require an operator to submit a plan to remediate an accident, incident,

Same as Senate version.

SECTION 5. Same as Senate version.

House Bill 2982
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Section-by-Section Analysis

HOUSE VERSION

to require *operators to make reports* to the commission, *including telephonic reports, the commission determines are necessary* to investigate accidents, *leaks*, incidents, or complaints.

SECTION 7. This Act takes effect September 1, 2013.

SENATE VERSION (IE)

threat, or complaint;

(2) to require *reports necessary* to allow the commission to investigate an accident, an incident, *a threat to public safety*, or a complaint *related to operational safety; or [FA2]*

(3) *to require operators to provide information to the commission that the commission determines is necessary to determine the risks presented to the public safety by:*

(A) *the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipeline facilities in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations; and*

(B) *gas gathering facilities and transportation activities in Class 1 locations, as defined by 49 C.F.R. Section 192.5.*

SECTION 6. Same as House version.

CONFERENCE

SECTION 6. Same as House version.

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 25, 2013

TO: Honorable David Dewhurst, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2982 by Keffer (Relating to the power of the Railroad Commission of Texas to adopt and enforce safety standards applicable to the transportation by pipeline of hazardous liquids, carbon dioxide, and natural gas in rural locations.), **Conference Committee Report**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would provide rules adopted by the Railroad Commission that apply to the intrastate transportation of hazardous liquids and carbon dioxide by gathering pipelines in rural locations and intrastate hazardous liquid and carbon dioxide gathering pipeline facilities in rural locations be based on risks the transportation and the facilities present to the public safety. The bill would also authorize the Railroad Commission to establish safety standards for gathering facilities and transportation activities in certain locations to the extent the rules would be consistent with federal law and as necessary to maintain the maximum degree of federal program delegation.

The bill would require the Railroad Commission to adopt rules to require that an application for a permit to drill an oil or gas well include an affirmation as to whether or not the well is located inside of or within 50 yards of an easement held by Texas Department of Transportation (TxDOT). The Railroad Commission would be required to notify TxDOT within 14 days of receipt of an application for a permit to drill located inside of or within 50 yards of an easement held by TxDOT. The bill explicitly states that no authority would be provided to TxDOT with regard to the approval of an application for a permit to drill an oil or gas well.

Passage of the bill is not expected to result in a significant fiscal impact to the Railroad Commission or to TxDOT.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission, 601 Department of Transportation

LBB Staff: UP, SZ, TL