

MAY 17 2016

TEXAS
PIPELINE
SAFETY
COALITION

Friday, May 13, 2016

Chairman Larry Gonzales
Sunset Advisory Commission
P.O. Box 13066
Austin, TX 78711

RE: Comments on Sunset Advisory Commission Staff Recommendation Regarding Damage Prevention

Dear Chairman Gonzales:

The following comments relate to the Sunset Advisory Commission Staff report recommendations relating to the Texas Railroad Commission (RRC) and are made on behalf of the Texas Pipeline Safety Coalition (the "Coalition"). The Coalition consists of representatives from nearly 20 large and small pipeline operators in the state. The Coalition was formed in 2005 specifically for the purpose of addressing damage prevention related issues and seeking more comprehensive safety standards for and greater oversight of underground damage prevention.

The Coalition appreciates the opportunity to support the Commission Staff's recommendation regarding the expansion of damage prevention authority to interstate pipelines. As a matter of background, the RRC was granted increased jurisdiction over underground damage prevention for intrastate pipelines by the legislature in 2005. This permitted the RRC to adopt rules related to the protection of pipelines from excavation damage. This authority was desperately needed. Without some effective mechanism for enforcement and the assessment of fines and penalties excavators had no incentive to comply with the existing state law.

Since the initial adoption of the RRC rules on damage prevention, 16 TAC Chapter 18, the RRC has made significant strides over the last decade in reducing the number of damages to pipelines caused by excavation. During this time, there have also been changes at the federal level by the Pipeline and Hazardous Materials Safety Administration (PHMSA) that have reinforced the importance of strong enforcement of damage prevention standards at the state level - for all pipelines - regardless of their intra- or interstate status. These changes were codified in a rulemaking by PHMSA in the summer of 2015.

Additionally, in each of the last three Sunset Advisory Commission reports, the Sunset Staff and Commission recommended extending the RRC's jurisdiction to include damage prevention for interstate pipelines. This would provide enhanced protection for the 44,000 miles of interstate pipelines in Texas, which currently have no effective regulatory oversight or enforcement in this area.

For these reasons, we fully support Recommendation 5 with respect to damage prevention, as it will create an additional incentive to protect interstate pipelines from preventable damage resulting from excavation activity.

Texas is recognized to have one of the best safety records in the nation with regard to the transportation of energy resources via pipeline. This is remarkable considering the number of pipeline miles in the state and the amount of infrastructure development activity within the state over the course of the last several years. We strongly support efforts to further increase pipeline safety through the extension of enforcement of damage prevention activities to interstate pipelines within Texas.

The members of the Texas Pipeline Safety Coalition appreciate the opportunity to submit comments and feedback. We look forward to working with the Commission as the review and legislative process moves forward. If you have any questions regarding the above comments or if the Coalition can be of assistance, please do not hesitate to contact me at (713) 208-0273 or LNS@SanderResources.com.

Sincerely,

A handwritten signature in black ink that reads "Lindsay Sander". The signature is written in a cursive, flowing style.

Lindsay Sander
for the Texas Pipeline Safety Coalition