

Sunset Review of the Railroad Commission of Texas in the 82nd Legislature

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Overview of SB 655: the Railroad Commission Sunset Legislation

- Where did my regulator go?
 - SB 655 proposed to significantly re-structure the Railroad Commission of Texas and its regulatory authority and jurisdiction
- Nowhere
 - The bill, opposed virtually unanimously by industry, did not pass
- For now
 - A temporary measure was passed reauthorizing the Commission until 2013 and subjecting it to reauthorization in the next legislative session
- A behind-the-scenes look at Senate Bill 655, the Railroad Commission Sunset bill

Critical players in the Sunset Bill debate consulted for this presentation

- The Texas Sunset Advisory Commission
 - Chairman, Senator Glenn Hegar
- The Railroad Commission of Texas
 - Commissioner David Porter
- The Texas Senate
 - Sunset Commission Member and Dean of the Texas Senate, Senator John Whitmire
- The Texas House of Representatives
 - Office of State Representative Jim Keffer
- The Texas oil and gas industry
 - Texas Independent Producers and Royalty Owners (TIPRO)
 - Texas Pipeline Association (TPA)

3

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What is the Sunset Commission?

- In 1977, the Texas Legislature created the Sunset Advisory Commission to identify and eliminate waste, duplication, and inefficiency in government agencies
- The 12-member Commission is a legislative body that reviews the policies and programs of more than 150 government agencies every 12 years
- The Commission questions the need for each agency, looks for potential duplication of other public services or programs, and considers new and innovative changes to improve each agency's operations and activities
- The Commission seeks public input through hearings on every agency under Sunset review and recommends actions on each agency to the full Legislature. In most cases, agencies under Sunset review are automatically abolished unless legislation is enacted to continue them.

4

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What does the Railroad Commission of Texas regulate?

- Oldest Texas agency, estd. in 1890 by Tex. Const. art. XVI § 30 to regulate . . . railroads.
- Now regulates:
 - Drilling, completion, and operation of oil & gas wells
 - Environmental protection associated with oil & gas production
 - Regulation of pipeline safety, as well as rates and services of gas utilities and common carrier pipelines
 - Texas coal and uranium surface mining industry
 - Propane promotion and licensure of distributors
- Does not regulate:
 - Railroads

5

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How the Sunset Commission generated its recommendations

- RRC Self Evaluation submitted to the Sunset Commission September 2009
- Sunset Commission RRC questionnaire sent to stakeholders June 2010
- Stakeholders meet with Sunset Staff to present comments/questionnaire answers
- Sunset Staff Report on RRC released November 2010
- Sunset Commission Public Hearing on RRC December 2010
- Commission issues decisions January 2011

6

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"Sunset Review of the Public Utility Commission of Texas and the Railroad Commission of Texas"