

BILL ANALYSIS

C.S.H.B. 2586
By: Hilderbran
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law requires a pipeline company to report any leaks or ground contamination that is caused by its own equipment. However, no law requires a company to report contamination caused by another company. Often when a pipeline company is laying new pipe, the company will use an existing easement where other preexisting pipelines have already been placed. In this situation, the pipeline company may come across pollution that was caused from leaks in the preexisting pipe.

C.S.H.B. 2586 requires a common carrier or an owner or operator of a pipeline to report pollution observed or detected when in the process of the placement, repair, replacement or maintenance of any pipeline.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 of this bill.

ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 81, Natural Resources Code, by adding Section 81.056, as follows:

Sec. 81.056. CONTAMINATION REPORT. (a) Defines "common carrier," "owner of the land," and "landowner."

(b) Requires a common carrier or an owner or operator of a pipeline, if in the process of placing, repairing, replacing, or maintaining a pipeline the common carrier or pipeline owner or operator observes or detects any petroleum-based contamination of soil or water in proximity to the pipeline, to report the contamination to the Railroad Commission of Texas (commission) and the owner of the land on which the pipeline is located, if

- (1) hydrocarbons are present on the surface of the water; or
- (2) at least five linear feet of soil have been affected by hydrocarbons; or
- (3) soil affected by hydrocarbons extends beyond the face of the excavation in which the contamination is observed or detected.

(c) Requires the contamination report to be made not later than 24 hours after the observation or detection of contamination and to include the global positioning satellite coordinates of the location of the contamination. Authorizes the report to be made by telephone, facsimile, or electronic mail.

(d) Requires a person authorized by the commission, not later than the third business day after the date the commission receives the contamination report, to withdraw a soil sample from the contaminated land. Entitles the person to enter the land for the purpose of withdrawing a sample.

(e) Releases a common carrier or pipeline owner or operator that makes a contamination report under this section from all liability for the contamination or the cleanup of the contamination covered by the report, except for any contamination caused by the common carrier or pipeline owner or operator.

(f) Requires the commission to adopt rules to implement this section.

(g) Prohibits the Railroad Commission from using funds from the Oilfield Cleanup Fund to implement this section.

SECTION 2. Provides that Section 81.056(f), Natural Resources Code, as added by this Act, is an exercise of authority under Section 66(c), Article III, Texas Constitution, and it takes effect only if this Act receives a vote of three-fifths of all members elected to each house, as provided by Subsection (e) of that section.

EFFECTIVE DATE

September 1, 2005

COMPARISON OF ORIGINAL TO SUBSTITUTE

New Language added to section 81.056 (b) which includes new threshold language for the pipeline owner or operator to consider and adds new subsection (g):

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- (1) hydrocarbons are present on the surface of the water; or
- (2) at least five linear feet of soil have been affected by hydrocarbons; or
- (3) soil affected by hydrocarbons extends beyond the face of the excavation in which the contamination is observed or detected

AND

(g) Prohibits the Railroad Commission from using funds from the Oilfield Cleanup Fund to implement this section.