

Railroad Commission of Texas
Mid-year Progress Report DTPH56-08-G-PHPS11

1. A comparison of actual accomplishments to the objectives established for the period:

The Commission's Safety Division began enforcing damage prevention for the "movement of earth" on or in the vicinity of pipelines in September 2007. During the first twelve months of the program there were approximately 16,350 reports of damages submitted via the Commission's online damage reporting system. Damage reporting for year two appears to follow the same trend.

Through the middle of January 2009 the Commission oversaw the scanning of 3,073, inclusive of 23,621 pages. As of January 2009 the estimates an additional 13,000 historical files from the prior fiscal year still need to be scanned and uploaded into the system, as well as the additional hard copy data sent in on current paperless reports (1,000 per month).

2. Where the output of the project can be quantified, a computation of the cost per unit of output:

The Commission prefers not to calculate a cost per unit of output at this time due to initial upfront costs related to equipment purchase or lease that will skew the cost per unit results. The Commission will calculate a cost per unit at the conclusion of the grant period when costs are distributed evenly across outputs.

3. The reasons for slippage if established objectives were not met:

Unfortunately, the project's start date was delayed until October 2008 as the Commission opted not to use Neubus as a digitizing contractor, but instead opted to obtain temporary services to perform the work and to lease or purchase the necessary equipment to prepare, scan, and process the documents.

The initial project timeline depended on having a paperless process for the damage prevention enforcement program. The Commission's enforcement system did not become totally paperless until September 2008, thus delaying the start of the project. This funding allows the Commission to scan all of the documents associated with each report that is filed into an online system and in current hard copy form. The files are scanned and loaded as attachments to each of the individual listed reports that are online. Also, in the paperless system, all additional paper documents that are filed by excavators and operators in order to supplement their online report are scanned and attached to their report. The technical reviewer is able to view all of the documents at his or her workstation online.

4. Other pertinent information including, when appropriate actions taken to address the recommendations PHMSA provided in correspondence dated April 4, 2008:

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The Commission is working towards a consistent application of enforcement regulations and continues to have open communication with all of the stakeholders involved in the damage prevention enforcement effort. For the period ending August 2008, the Commission completed 492 agreed orders and collected \$85,950 in penalties. From September 2008 to the present an additional \$259,700 was collected.

The Railroad Commission acknowledges the recommendations provided by PHMSA in correspondence dated April 4, 2008 and offers the following additional information:

- a. PHMSA sought more detail on the Commission's commitment to quality controls in timing, personnel, and costs for deliverables in exchange for the grant.

The Commission determined that it would have greater control over the quality of the grant product (i.e., the digitized documents and the association of the documents within the online reporting system) by scanning the documents in-house rather than rely on the contractor Neabus to provide the service, as was originally proposed in the grant application.

- b. PHMSA questioned if there were plans in place to include enforcement authority beyond excavation near pipelines.

The Texas Legislature must grant any additional enforcement authority. The Legislature convened in January 2009, and may determine to expand enforcement authority within the state, however at present the Railroad Commission only has statutory authority over excavation near pipelines.

- c. PHMSA questioned the decision to target post damage sites instead of following a more proactive enforcement strategy

The Railroad Commission began its damage prevention program in September 2007 with the intent to implement a proactive program. In the program's limited existence, the large volume of damage reports created a reactive initial program. The Commission anticipates that as the program is more fully established and addresses initial, concentrated damage reporting that it will take on a more proactive role in the future.